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*In the interests of the environment, we
have printed these Financial Statements
on recycled paper.*

DIRECTORS' REPORT

The following information is provided in conformity with Section 270 of the Companies (Victoria) Code.

Directors

The Board includes two directors with executive responsibilities within ANZ Group who have extensive banking experience. The twelve non-executive directors have a diversity of community and business experience. Set out on pages 28 and 29 of the Annual Report are statements which provide particulars of the qualifications, broad experience and special responsibilities of each director.

Activities

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

At 30 September 1990 the Company and its subsidiaries had 2,431 points of representation.

Profit

Consolidated operating profit after tax and before abnormal items for the year was \$412.5 million. Consolidated operating profit after tax and abnormal items was \$221.5 million. More details are contained in the Group Chief Executive's report on page 9 of the Annual Report.

Dividends

The directors propose payment of a fully franked final dividend of 16.0 cents per share, amounting to \$152.2 million to be declared on 7 January 1991 and to be paid on 30 January 1991.

Since the end of the previous year the following fully franked dividends have been paid:

Type	Cents per share	Amount before bonus option \$ million	Date of payment
Final	22	196.0	5 February 1990
Interim	22	202.3	13 July 1990

The final dividend paid on 5 February 1990 was detailed in the directors' report dated 7 December 1989. Neither the interim dividend paid on 13 July 1990 nor the current proposed dividend have been mentioned in previous directors' reports.

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

Review of operations

A review of the operations of the Group during the financial year and the results of those operations is contained in the Chairman's message and the Group Chief Executive's report or in the Group accounts.

State of affairs

There was no significant change in the state of affairs of the Group that occurred during the financial year not otherwise disclosed in the Chairman's message, the Group Chief Executive's report or in the Group accounts.

Events since the end of the financial year

No item, transaction or event of a material and unusual nature has arisen between 30 September 1990 and the date of this report that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years except for the acquisitions of National Mutual Bank in New Zealand, 75% of the Bank of Western Samoa and Olec Trustees Limited in Jersey, and further rationalisation with the closure of ANZ McCaughan Securities (Switzerland) AG.

Future developments

Likely developments in the operations of the Group in subsequent financial years are contained in the Chairman's message, and the Group Chief Executive's report on pages 9 to 13 of the Annual Report.

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

Shareholdings

The directors' shareholding interests, beneficial and non-beneficial, in the share capital of the Company are detailed on page 47.

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

Directors' interests in contracts

Since 1 January 1984 no director has declared any interest in a contract or proposed contract with the Company in accordance with Section 228(1) of the Companies (Victoria) Code. The following directors have declared pursuant to Section 228(4) of the Code that they are to be regarded as interested in any contract that may be made with the Company by virtue of their directorships or memberships of the companies and organisations listed:

Mr. M.D. Bridgland

Australia and New Zealand Banking Group Limited (Group)
ICI Australia Limited
Jennings Group Limited (Group)

Mr. W.J. Bailey

Australia and New Zealand Banking Group Limited (Group)
Coles Myer Ltd.
Dalgety Farmers Limited
Enterprise Australia Limited
Institute of Public Affairs Limited
The Australian Opera
Victorian Health Promotion Foundation

Mr. J.C. Dahlsen

Australia and New Zealand Banking Group Limited (Group)
C & C Services Pty. Ltd.
Corrs Australian Solicitors
Institute of Public Affairs Ltd.
J.C. Dahlsen Pty. Ltd. (Group)
Johndahl Nominees Pty. Ltd.
KTD (Nominees) Pty. Ltd.
Latrobe Custodians Pty. Ltd.
Maleela Holdings Pty. Ltd.
Melbourne Business School Ltd.
Sandridge City Development Co. Pty. Ltd.
The Byvest Management Buyout Group
The Graduate School of Management Ltd.
The Twenty-Fourth Tribute Pty. Ltd.
Tricom Corporation Ltd. (Group)
W. J. M. Pty. Ltd.

Mr. D.C.L. Gibbs

Australia and New Zealand Banking Group Limited (Group)
C.T. Bowring Reinsurance Australia Pty. Ltd.
Djefah Pty. Ltd.
Folkestone Ltd. (Group)
Hollstone Properties Pty. Ltd.
Jewls Pty. Ltd.
John Swire & Sons Pty. Ltd.
Parbury Henty Holdings Ltd. (Group)
Redfurn Pty. Ltd.
The British Real Estate Group plc
Toolang Pty. Ltd.
Twenty-Seventh Taljan Pty. Ltd.
Victoria State Opera Co. Ltd.

Mr. R.K. Gosper

Australia and New Zealand Banking Group Limited (Group)
Australian Institute of Petroleum Limited
North West Shelf Development Pty. Ltd.
Provident and Pensions Holdings Proprietary Limited
Shell Australia Limited (Group)
Shell Fiji Limited
Shell Papua New Guinea Pty. Ltd.
Woodside Petroleum Limited (Group)

Mr. J.B. Gough

Alexander Proudfoot Company – International Advisory Board
Ancor Limited
Australia and New Zealand Banking Group Limited (Group)
BHP Gold Mines Ltd.
CSR Limited
General Motors Australia Advisory Council
ICI Australia Limited
Pacific Dunlop Limited
The Broken Hill Proprietary Co. Ltd.
The Graduate School of Management Ltd.
Walter and Eliza Hall Institute of Medical Research

Mr. C.J. Harper

Australia and New Zealand Banking Group Limited (Group)
Australian National Memorial Theatre Limited
Commonwealth Serum Laboratories
Hyster Australia Pty. Ltd.
IBM Australia Limited
ICI Group - Dulux Advisory Board
Institute of Public Affairs Limited
Legal and General Assurance Holdings (Australia) Limited (Group)
North Broken Hill Peko Limited (Group)
R.E. Ross Nominees Pty. Limited (Group)
The Australian Institute of Company Directors
Vickers Holdings Limited (Group)

Mr. W.J. Holcroft

Australia and New Zealand Banking Group Limited (Group)
Brick and Stone Holdings Limited
Caltex Australia Limited
Gelnethy Pty. Ltd.
Gelnethy Pastoral Company
Novox Pty. Ltd.
Western Granites Limited

Emeritus Professor Dame Leonie Kramer

Australia and New Zealand Banking Group Limited (Group)
Electricity Commission of New South Wales
Western Mining Corporation Holdings Limited (Group)

Sir Laurence Muir

Alcoa of Australia Limited
 Alcoa Superannuation Fund Pty. Ltd.
 Alcoa Wages Fund Pty. Ltd.
 Australia and New Zealand Banking Group Limited (Group)
 Elders Austral Chartering Ltd.
 General Motors Australia Advisory Council
 Hudson Conway Limited
 L'Air Liquide World Advisory Board
 Liquid Air Australia Limited
 National Commercial Union Limited
 Parliament House Construction Authority
 Templeton Global Growth Fund Ltd.

Mr. R.A.D. Nicolson

Australia and New Zealand Banking Group Limited (Group)

Dr. B.W. Scott

Australia and New Zealand Banking Group Limited (Group)
 Bemco Australie NV
 Imagineering Technology Ltd.
 James N. Kirby Foundation Limited
 Jon & Associates Pty. Ltd. (Group)
 Liquid Air Australia Limited
 Management Frontiers Pty. Ltd.
 Television Makers Pty. Ltd.
 Trade Development Council
 W.D. Scott International Development Consultants Pty. Ltd.

Sir Ronald Trotter

Air New Zealand
 Australia and New Zealand Banking Group Limited (Group)
 Ciba-Geigy New Zealand Limited
 Fletcher Challenge Limited

Mr. R.B. Vaughan

Australia and New Zealand Banking Group Limited (Group)
 Dalgety Farmers Limited (Group)
 Dalgety Australia Holdings Limited (Group)
 Dalgety Investments Pty. Limited (Group)
 Dalgety Rural Finance Limited
 ICI Australia Limited
 MIM Holdings Limited (Group)
 National Commercial Union Limited
 Pacific Australia Rural Company Limited
 Tubemakers of Australia Limited

Share options

Details of share options are set out in note 25 to the accounts.

Directors' benefits

No director has, since the end of the previous financial year, received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received, or due and receivable by directors shown in the Group accounts or the fixed salaries of directors who are full-time employees of the Company or its subsidiaries), by reason of a contract made by the Company, or a related corporation, with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest with the exception of

(i) benefits that may be deemed to have arisen because legal fees have been paid to Corrs Australian Solicitors of which Mr. J.C. Dahlsen is a partner, and to Bell Gully Buddle Weir, in which Mr. L.M. Papps who retired on 15 October, 1989 was a consultant, insurance business has been placed through Marsh & McLennan Pty. Limited, of which Mr. D.C.L. Gibbs was a director, management service fees have been paid to Jon & Associates Pty. Ltd. of which company Dr. B.W. Scott was a director and Management Frontiers Pty. Ltd. of which company he is a director, and payments in the nature of consulting fees have been made to Sir Ronald Trotter as a member of the Company's International Board of Advice, and

(ii) benefits that may have arisen as a consequence of

- (a) the exercise by certain directors of options issued under the directors' share and option purchase scheme, and
- (b) the granting of loans, pursuant to rule 17 of the ANZ Group Senior Officers' Share Purchase Scheme, to fund the payment by executive directors for scheme shares held under the said scheme.

Signed at Melbourne for and on behalf of the board of directors in accordance with a resolution of the directors this 7th day of December 1990.



Chairman



Deputy Chairman
 Group Chief Executive

	NOTE	Consolidated		Holding Company	
		1990	1989	1990	1989
		\$M	\$M	\$M	\$M
P R O F I T & L O S S S T A T E M E N T					
for the year ended 30 September 1990					
Interest received	2	10,194.2	8,538.0	5,426.8	4,578.9
Less: interest paid	3	7,713.4	6,220.5	4,493.0	3,577.2
Net interest income		2,480.8	2,317.5	933.8	1,001.7
Other operating income	2	1,759.7	1,670.3	2,216.8	1,631.1
Total net operating income		4,240.5	3,987.8	3,150.6	2,632.8
Less: operating expenses	3	2,848.4	2,557.5	1,890.3	1,700.5
provisions for doubtful debts	3	793.2	307.8	567.8	165.8
Operating profit before income tax and before abnormal items		598.9	1,122.5	692.5	766.5
Less: income tax expense (benefit)	4	185.6	400.0	(56.7)	154.0
Operating profit after income tax and before abnormal items		413.3	722.5	749.2	612.5
Minority interests		0.8	0.8	-	-
Operating profit after income tax and minorities and before abnormal items		412.5	721.7	749.2	612.5
Abnormal items after income tax	5	191.0	371.0	212.0	200.6
Operating profit after income tax attributable to members of the Holding Company		221.5	350.7	537.2	411.9
Retained profits at start of year		667.4	890.0	28.1	171.3
Total available for appropriation		888.9	1,240.7	565.3	583.2
Dividends provided for or paid	6	319.8	555.1	310.0	555.1
Transfers to reserves	26	20.7	18.2	-	-
Retained profits at end of year		548.4	667.4	255.3	28.1

The notes appearing on pages 8 to 36 form an integral part of these accounts.

	NOTE	Consolidated		Holding Company	
		1990	1989	1990	1989
		\$M	\$M	\$M	\$M
BALANCE SHEET as at 30 September 1990					
Liquid assets	7	2,603.6	3,116.8	1,168.8	1,025.8
Due from other banks	8	12,660.9	8,998.4	8,472.0	6,709.4
Trading securities	9	2,124.1	1,813.0	1,261.0	840.0
Investment securities	10	6,311.9	7,148.9	3,212.5	3,493.1
Regulatory deposits	11	900.4	1,064.9	563.4	708.7
Net loans and advances	12	52,164.0	43,648.3	21,778.6	18,985.3
Customers' liabilities for acceptances		16,518.0	14,477.6	14,963.0	13,491.2
Due from subsidiary companies		-	-	5,340.5	3,133.0
Shares in subsidiary and associated companies	16	71.9	50.1	3,496.2	3,272.6
Other assets	17	3,713.0	2,820.6	1,602.0	979.0
Premises and equipment	18	1,673.8	1,485.6	419.6	381.2
Total assets		98,741.6	84,624.2	62,277.6	53,019.3
Bills payable and other liabilities	19	4,243.4	4,668.6	1,673.0	2,014.0
Due to other banks	20	10,320.2	7,064.2	8,900.8	5,901.9
Deposits and other borrowings	21	58,147.6	50,167.9	24,780.1	22,028.8
Liability for acceptances		16,518.0	14,477.6	14,963.0	13,491.2
Due to subsidiary companies		-	-	4,567.2	3,544.9
Income tax liability	22	839.6	822.3	345.2	421.4
Provisions	23	520.1	445.5	336.0	354.0
Bonds and notes	24	1,899.5	1,733.6	1,823.2	1,621.0
Total liabilities		92,488.4	79,379.7	57,388.5	49,377.2
Net assets		6,253.2	5,244.5	4,889.1	3,642.1
Paid-up capital	25	971.5	891.5	971.5	891.5
Reserves	26	2,791.9	2,443.4	2,207.7	1,937.7
Retained profits		548.4	667.4	255.3	28.1
Share capital and reserves applicable to shareholders of Australia and New Zealand Banking Group Limited		4,311.8	4,002.3	3,434.5	2,857.3
Minority shareholders' interest in subsidiary companies		10.9	6.9	-	-
Total shareholders' funds and minorities		4,322.7	4,009.2	3,434.5	2,857.3
Other capital resources	27	1,930.5	1,235.3	1,454.6	784.8
Total shareholders' funds and capital resources		6,253.2	5,244.5	4,889.1	3,642.1
Commitments	34				
Contingent liabilities and off-balance sheet transactions	35				

The notes appearing on pages 8 to 36 form an integral part of these accounts.

NOTES TO THE ACCOUNTS

1: Accounting policies

(i) Bases of accounting

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

Under section 288 of the Companies (Victoria) Code (the Code) accounts prepared by banking corporations in accordance with the Banking Act are deemed to comply with the accounts provisions of the Code. Australia and New Zealand Banking Group Limited, Australia and New Zealand Savings Bank Limited, National Mutual Royal Bank Limited and National Mutual Royal Savings Bank Limited, are banking corporations under section 288 of the Code. For Group accounts purposes, ANZ Banking Group (New Zealand) Limited, ANZ Savings Bank (New Zealand) Limited, Post Office Bank Limited, Australia and New Zealand Banking Group (PNG) Limited, Australia and New Zealand Banking Group (Channel Islands) Limited, ANZ Bank Canada, ANZ Bank (Vanuatu) Limited and ANZ Grindlays Bank plc are also considered to be banking corporations by virtue of their status as banks in their respective countries of incorporation.

The financial statements comply with the accounts provisions of the Banking Act and Australian Accounting Standards (AAS), and to the extent applicable to a banking group, the accounts provisions of the Companies (Victoria) Code, including Schedule 7 of the Companies (Victoria) Regulations, and Approved Accounting Standards (ASRB).

(ii) Consolidation

The Group accounts are a consolidation of the accounts of the Holding Company and all subsidiaries. Subsidiary companies are defined as those in which the Holding Company holds or controls more than 50% of the issued ordinary share capital. Where subsidiary companies have been sold or acquired during the year, their operating results have been included to the date of disposal or from the date of acquisition. Where the Holding Company holds shares or voting interests between 20% and 50% of the issued ordinary share capital of a company that company is classified as an associated company. The Group does not prepare supplementary equity accounts for its investment in associated companies on the grounds that the effect is immaterial to the Group's accounts.

All inter-company balances and transactions have been eliminated.

(iii) Life insurance business

The Group conducts life insurance business through its subsidiary, ANZ Life Assurance Co. Limited (ANZ Life). The Group accounts include the results of ANZ Life's shareholders' fund and the actuarially assessed profit from ANZ Life Statutory Funds after allowing for the increase in policy holder reserves determined on a realistic basis. These amounts total \$22.7 million (1989: \$17.2 million) and have been included in the profit and loss account and then transferred to General Reserve within the consolidated accounts as they are not fully available for distribution due to the requirements and restrictions of the Life Insurance Act 1945 and statutory accounting practices.

The assets of these statutory funds are also subject to the provisions of the Life Insurance Act 1945 and do not form part of the assets to which the Group is entitled and are therefore excluded from consolidation.

(iv) Foreign currency

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

Overseas branches and subsidiaries engaged in banking operations have loans and deposits and borrowings in their local currencies and in other major currencies. The Holding Company also has loans and deposits and borrowings in Australia in currencies other than Australian dollars. Assets and liabilities denominated in foreign currencies are converted into reporting currencies at the rates of exchange ruling at balance date. It is the Group's general policy to maintain a matched position in foreign currencies and as a consequence there are no material foreign currency exposures.

The accounts depart from certain requirements of the Approved Accounting Standard ASRB 1012 'Foreign Currency Translation', principally in respect of disclosure, on the basis that the relevant provisions of the standard are inapplicable to a banking corporation.

(v) Goodwill

Shares in subsidiary companies are valued on acquisition at the Group's interest in the fair market value of the net assets of the subsidiary company at the date of acquisition. Any difference between the fair value of net assets and cost is written off through the profit and loss statement as an abnormal item in the year of acquisition, together with, in the consolidated profit and loss statement, the equivalent amount being attributable to goodwill on consolidation. This policy has been applied consistently with the treatment of such items in past years and represents a departure from Approved Accounting Standard ASRB 1013 'Accounting for Goodwill', but is considered to be an appropriate and prudent policy for a banking group. The policy is consistent with capital adequacy requirements endorsed by the Group of Ten central bank Governors and adopted by the Reserve Bank of Australia which require goodwill to be deducted from capital for prudential supervision purposes. Under section 288 of the Code, accounts prepared by banking corporations in accordance with the Banking Act are deemed to comply with the accounts provisions of the Code. Goodwill written off during the current year amounted to \$257.4 million (1989: \$235.7 million)

(vi) Abnormal items

In accordance with Approved Accounting Standard ASRB 1018 'Profit and Loss Accounts', items which were previously classified as extraordinary have been reclassified as abnormal. For details of amounts reported as abnormal refer to note 5.

(vii) Trading securities

Securities held for trading purposes are recorded at market value. Commercial bills sold under repurchase agreements are included in trading securities and the corresponding liability to repurchase included within deposits and other borrowings. This is a change from previous years when they were recorded net of bills sold under repurchase agreements. An amount of \$1,003.5 million (1989: \$607.6 million) has been reclassified from loans and advances to trading securities and deposits and other borrowings. Unrealised gains and losses on revaluation are taken to the profit and loss account. This is a departure from the historical cost convention but is considered to be a better reflection of the results arising from trading in highly liquid financial assets.

(viii) Investment securities

Securities held for investment purposes are recorded at cost or at cost adjusted for premium or discount amortisation. Interest income is accrued and premiums and discounts are capitalised and amortised from date of purchase to maturity. Changes in market values of the securities are not taken into account unless there is considered to be a permanent diminution in value.

(ix) Net loans and advances

Net loans and advances includes all forms of lending and direct finance provided to customers such as bank overdrafts, term loans, lease finance, hire purchase finance and commercial bills discounted. Overdrafts and term loans are carried at principal balances outstanding. Interest on amounts outstanding is accounted for on an accruals basis.

Lease finance is accounted for using the finance method whereby the lease receivable represents the net present value of total receivables discounted using the implicit interest rate. Income yet to mature represents the gross income arising from outstandings apportioned over the terms of the contracts to which it relates using the interest rate implicit in the lease and the actuarial method of calculation. Where leases are structured as leveraged leases and such transactions are entered into as an equity participant, the Group's participation is recorded as an investment net of non-recourse long term debt. Income from these investments is recognised on an actuarial basis over the life of the lease. Hire purchase finance is accounted for using the finance method, whereby the total hire purchase receivable is offset by income yet to mature which is amortised over the term of finance on an actuarial basis.

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

All loans are subject to continuous scrutiny and graded according to the level of credit risk with accounts that are presently unable to meet their interest obligations and/or where there is a potential loss of principal being graded unproductive. Interest on unproductive accounts is not taken to the profit and loss account.

(x) Bad and doubtful debts

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

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

Provisions for doubtful debts are deducted from loans and advances in the balance sheet. Operating subsidiaries within the Group maintain appropriate provisions for doubtful debts.

(xi) Acceptances

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

(xii) Funds under management

The Holding Company and some of its subsidiaries act as trustee and/or manager for a number of investment funds and trusts including retirement funds, mortgage funds, approved deposit funds, and equity and property unit trusts. The value of funds under management by the Group exceeds \$9 billion (1989: \$8 billion). The assets of these funds and trusts are not included in the accounts. Where the Holding Company or subsidiaries as trustee incur liabilities in respect of these operations, a right of indemnity exists against the assets of the applicable funds or trusts, and as these assets are sufficient to cover liabilities, the liabilities are not included in the accounts. Commissions and fees earned in respect of the Group's trust activities are included in the profit and loss account.

(xiii) Land held for resale

Land held for resale comprises both properties held for development and sale, and properties acquired through security enforcement. These are recorded at the lower of cost or estimated present realisable value.

Development costs, interest and holding costs are capitalised in respect of major development ventures to the extent that they are considered to be recoverable.

(xiv) Premises and equipment

Premises and equipment (including computer equipment) are carried at cost or at valuation. Any surplus on revaluation is credited directly to the asset revaluation reserve. Potential capital gains tax arising from revaluations is not material and has not been taken into account in determining the revalued amounts.

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

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

(xv) Income tax

The Group adopts the liability method of tax effect accounting whereby income tax expense is calculated based on accounting profit adjusted for permanent differences. General provisions for doubtful debts are treated as permanent differences. Future tax benefits and deferred tax liabilities relating to timing differences are carried forward at tax rates applicable to future periods. Future tax benefits relating to tax losses are only carried forward where realisation of the benefit is considered virtually certain.

No provision has been made for overseas withholding tax and Australian income tax on earnings that are expected to be retained by overseas subsidiaries to finance their ongoing business.

(xvi) Off-balance sheet transactions

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

Off-balance sheet transactions taken up as hedges against underlying asset/liability exposures are accounted for on the same basis as the underlying exposures.

Off-balance sheet transactions taken up as part of trading activities are recorded at market value. All gains and losses, whether realised or unrealised, are taken to the profit and loss account.

(xvii) Superannuation commitments

The Group has a number of superannuation schemes which provide either defined or accumulated benefits for employees and their dependants on retirement or death. These schemes cover the majority of Group employees throughout the world. The benefits under the schemes are provided from contributions by employee members and the Group, and income from assets of the schemes. Members' contributions are at variable rates. Group contributions in respect of the defined benefits schemes are made at levels necessary to ensure that these schemes are maintained with sufficient assets to meet their liabilities. Group contributions in respect of the accumulation schemes are at fixed rates. The rate of Group contributions is determined by actuarial valuations which are carried out at regular intervals not exceeding three years. Any deficiencies arising from the actuarial valuations have been provided for in the Group accounts. The assets of the schemes are not included in these accounts. (Further details note 33).

(xviii) Comparative figures

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

(xix) Rounding of amounts

The Holding Company is a company of the kind referred to in Regulation 58(6) of the Companies (Victoria) Regulations and in a National Companies and Securities Commission (NCSC) class order of 30 October 1986. Consequently amounts in the accounts, where appropriate, have been rounded to the nearest hundred thousand dollars.

	Consolidated		Holding Company	
	1990	1989	1990	1989
	\$M	\$M	\$M	\$M
2: Income				
Interest received or receivable				
From other banks	1,326.2	967.2	868.5	602.2
On regulatory deposits	92.7	39.1	67.0	39.1
On trading and investment securities	1,095.5	1,166.9	599.3	675.4
On loans and advances	7,533.4	6,208.0	3,300.6	2,931.9
Dividends on redeemable preference shares	49.8	42.3	7.3	2.9
Other	96.6	114.5	45.3	78.7
	10,194.2	8,538.0	4,888.0	4,330.2
From subsidiaries	-	-	538.8	248.7
Total interest received	10,194.2	8,538.0	5,426.8	4,578.9
Other operating income				
Fee income	1,203.9	1,115.4	1,229.1	1,081.0
Foreign exchange earnings	212.0	214.4	152.8	153.9
Profit on trading securities	87.1	81.0	12.8	4.4
Dividends received or receivable from other companies	48.3	10.6	14.7	6.7
Dividends received or receivable from subsidiaries	-	-	770.6	351.4
Rents received or receivable	26.4	21.8	14.1	8.8
Other	182.0	227.1	22.7	24.9
Total other operating income	1,759.7	1,670.3	2,216.8	1,631.1
Total income	11,953.9	10,208.3	7,643.6	6,210.0
3: Expenses				
Interest paid or payable				
To other banks	1,086.2	858.0	922.8	728.5
On deposits	4,674.5	3,862.5	2,605.1	2,069.9
On borrowings	1,806.5	1,390.4	410.2	374.6
Other	146.2	109.6	114.3	75.7
	7,713.4	6,220.5	4,052.4	3,248.7
To subsidiaries	-	-	440.6	328.5
Total interest paid	7,713.4	6,220.5	4,493.0	3,577.2
Provisions for doubtful debts (refer note 15)				
Specific provision	788.6	301.3	614.5	166.6
General provision ¹	4.6	6.5	(46.7)	(0.8)
Total provisions for doubtful debts	793.2	307.8	567.8	165.8
Operating expenses				
i) Personnel				
Salaries and wages	1,148.4	1,030.9	793.6	702.4
Pension funds	58.6	41.5	39.9	29.6
Employee taxes – Payroll	53.5	47.4	46.7	42.1
– Fringe Benefits Tax	32.6	25.4	23.0	19.2
Provision for employee entitlements	29.2	29.7	26.2	23.1
Performance rewards	4.9	37.4	4.1	24.4
Other	74.9	73.0	42.6	20.0
Total personnel expenses	1,402.1	1,285.3	976.1	860.8
ii) Premises				
Rent	173.0	124.7	142.6	115.4
Depreciation of furniture and equipment	41.6	34.8	22.9	19.5
Depreciation of buildings	17.3	18.2	2.1	1.4
Amortisation of leasehold improvements	10.7	7.0	6.6	4.8
Other	145.3	136.9	87.3	77.8
Total premises expenses	387.9	321.6	261.5	218.9
iii) Other				
Computer costs ²	267.7	253.4	157.3	173.7
Non-lending losses/frauds/forgeries	47.9	20.9	26.8	16.1
Remuneration of auditors (refer note 39)	8.7	8.2	2.2	1.9
Provisions - other	1.1	3.3	-	0.6
Other ³	733.0	664.8	466.4	428.5
Total other operating expenses	1,058.4	950.6	652.7	620.8
Total operating expenses	2,848.4	2,557.5	1,890.3	1,700.5
Total expenses	11,355.0	9,085.8	6,951.1	5,443.5

¹ excluding 1989 abnormal item

² includes depreciation on computer equipment of \$77.8m (1989: \$89.1m) for the Group and \$55.2m (1989: \$68.2m) for the Holding Company

³ includes depreciation on motor vehicles of \$9.0m (1989: \$7.9m) for the Group and \$4.4m (1989: \$2.6m) for the Holding Company

	Consolidated		Holding Company	
	1990	1989	1990	1989
	\$M	\$M	\$M	\$M
4: Income tax				
Reconciliation of the prima facie income tax payable on operating profit with the income tax expense charged in the profit and loss statement				
Operating profit before income tax and abnormal items	598.9	1,122.5	692.5	766.5
Prima facie income tax at 39%	233.6	437.8	270.1	298.9
Tax effect of permanent differences				
Recoupment of past taxes paid	(26.8)	-	(26.8)	-
Rebateable and non-assessable dividends	(27.0)	(8.8)	(309.1)	(135.7)
Overseas tax rate differential	11.4	(14.6)	5.7	1.0
Fringe benefits tax	10.1	8.7	9.0	7.5
Non-allowable depreciation and amortisation	3.4	9.3	2.6	4.3
General provision for doubtful debts	1.8	2.5	(18.2)	(0.3)
Change in company tax rate	-	(0.8)	-	-
Other	(34.2)	(15.1)	(6.0)	(2.3)
	172.3	419.0	(72.7)	173.4
Income tax under (over) provided in prior years	13.3	(19.0)	16.0	(19.4)
Total income tax expense (benefit)	185.6	400.0	(56.7)	154.0
Current income tax liability	374.6	367.0	96.7	154.5
Deferred income tax expense (future income tax benefit)	(189.0)	33.0	(153.4)	(0.5)
	185.6	400.0	(56.7)	154.0
Australia	80.1	284.9	(39.4)	151.0
Overseas	105.5	115.1	(17.3)	3.0
	185.6	400.0	(56.7)	154.0

5: Abnormal items

Profits before tax				
Profit on sale of properties	89.2	67.2	4.2	3.3
Profit on disposal of subsidiaries	22.9	1.4	-	1.4
Interest received	-	28.3	-	-
	112.1	96.9	4.2	4.7
Losses before tax				
Goodwill on acquisition	257.4	235.7	203.1	-
Closure costs	28.1	-	3.4	-
Provision for charges	9.2	2.0	-	1.5
Bad & doubtful debts – rescheduled debt	-	221.0	-	192.0
Subvention payment	-	-	-	11.6
	294.7	458.7	206.5	205.1
Total abnormal loss before tax	182.6	361.8	202.3	200.4
Income tax expense (benefit) applicable to				
Cessation of foreign tax credit system	10.8	-	10.8	-
Profit on disposal of subsidiaries	9.8	-	-	-
Interest received	-	11.0	-	-
Closure costs	(9.1)	-	(1.1)	-
Provision for charges	(3.1)	-	-	-
Effect of change in tax rate	-	(3.6)	-	-
Profit on sale of properties	-	1.8	-	0.2
	8.4	9.2	9.7	0.2
Abnormal loss after income tax	191.0	371.0	212.0	200.6

	Consolidated		Holding Company	
	1990	1989	1990	1989
	\$M	\$M	\$M	\$M

6: Dividends

Fully franked 1989 special interim dividend paid of 26 cents per share	-	199.9	-	199.9
Fully franked interim dividend paid of 22 cents per share (1989: 22c per share)	185.2	171.9	175.4	171.9
Fully franked proposed final dividend of 16 cents per share (1989: 22c per share)	152.2	196.0	152.2	196.0
Bonus option plan adjustment (see below)	(17.6)	(12.7)	(17.6)	(12.7)
Total dividends	319.8	555.1	310.0	555.1

Dividend imputation

Unappropriated profits and reserves which could be distributed as fully franked dividends			115.1	68.0
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Bonus option plan

Dividends paid during the year have been reduced by certain shareholders participating in the bonus option plan and foregoing all or part of their right to dividends and instead receiving bonus shares

	Declared dividend	Bonus options exercised	Amount paid
Final dividend 1989	196.0	17.6	178.4
Interim dividend 1990	202.3	17.1	185.2
	398.3	34.7	

The difference in the total dividend between consolidated and Holding Company is due to dividends paid of \$9.8 million (1989: NIL) by ANZ U.K. Dividends (AUD) Limited under the 'dividend selection plan' to Holding Company shareholders in the United Kingdom.

7: Liquid assets

Australia

Coins, notes and cash at bankers	260.4	157.0	170.2	152.6
Loans to authorised dealers in Australian short term money market	452.5	440.4	442.0	395.9
Money at call	23.1	28.4	-	-
Bills receivable and remittances in transit	411.4	130.9	197.7	86.9
	1,147.4	756.7	809.9	635.4

Overseas

Coins, notes and cash at bankers	180.0	191.0	7.1	13.5
Money at call	960.7	1,586.0	258.9	252.9
Bills receivable and remittances in transit	315.5	583.1	92.9	124.0
	1,456.2	2,360.1	358.9	390.4
Total liquid assets	2,603.6	3,116.8	1,168.8	1,025.8

8: Due from other banks

Australia	1,110.5	895.0	1,059.1	860.4
Overseas	11,550.4	8,103.4	7,412.9	5,849.0
Total due from other banks	12,660.9	8,998.4	8,472.0	6,709.4

9: Trading securities

Quoted				
Australia	503.6	82.4	24.5	58.5
Overseas	98.3	442.2	7.6	0.9
Total quoted	601.9	524.6	32.1	59.4
Unquoted	1,522.2	1,288.4	1,228.9	780.6
Total trading securities	2,124.1	1,813.0	1,261.0	840.0

	Consolidated		Holding Company	
	1990	1989	1990	1989
	\$M	\$M	\$M	\$M
10: Investment securities				
Quoted - Australia				
Commonwealth securities	2,051.8	2,327.2	1,718.7	1,909.7
Local and semi-government securities	463.9	148.4	370.6	88.2
Other securities and equity investments	767.3	350.5	397.8	168.1
	3,283.0	2,826.1	2,487.1	2,166.0
Quoted - Overseas				
Treasury notes and bills	219.6	502.3	40.6	53.9
Government securities	1,128.5	1,199.3	41.9	14.3
Local and semi-government securities	15.6	263.7	-	9.3
Other securities and equity investments	374.5	386.0	65.7	92.7
	1,738.2	2,351.3	148.2	170.2
Total quoted	5,021.2	5,177.4	2,635.3	2,336.2
Unquoted				
Treasury notes and bills	688.2	1,289.0	440.5	1,071.1
Government securities	69.9	77.5	32.0	7.2
Local and semi-government securities	145.9	174.5	1.2	-
Other securities and equity investments	386.7	430.5	103.5	78.6
	1,290.7	1,971.5	577.2	1,156.9
Total investment securities	6,311.9	7,148.9	3,212.5	3,493.1
Market value information				
Quoted - Australia				
Commonwealth securities	2,044.9	2,243.6	1,711.6	1,836.5
Local and semi-government securities	457.5	134.1	369.9	80.2
Other securities and equity investments	670.3	358.7	350.1	176.0
	3,172.7	2,736.4	2,431.6	2,092.7
Quoted - Overseas				
Treasury notes and bills	218.9	495.4	39.9	53.0
Government securities	1,125.5	1,210.8	36.7	13.8
Local and semi-government securities	16.1	259.0	-	8.2
Other securities and equity investments	367.0	387.5	61.6	90.7
	1,727.5	2,352.7	138.2	165.7
Total market value of quoted investment securities	4,900.2	5,089.1	2,569.8	2,258.4
11: Regulatory deposits				
Reserve Bank of Australia	577.4	692.6	535.2	692.6
Overseas central banks	323.0	372.3	28.2	16.1
Total regulatory deposits	900.4	1,064.9	563.4	708.7
12: Net loans and advances				
Australia				
Overdrawn accounts	7,554.5	7,356.7	7,246.6	7,353.0
Credit card outstandings	910.6	838.6	868.7	838.6
Term loans	24,355.9	16,895.8	10,020.5	6,865.4
Lease finance	4,539.2	4,381.2	1,374.7	1,175.2
Hire purchase	3,337.2	2,299.4	-	-
Commercial bills	716.4	507.8	268.5	41.5
Redeemable preference share finance	43.0	177.6	-	87.6
Other	224.0	910.6	31.3	45.0
	41,680.8	33,367.7	19,810.3	16,406.3

	Consolidated		Holding Company	
	1990	1989	1990	1989
	\$M	\$M	\$M	\$M
12: Net loans and advances (continued)				
Overseas				
Overdrawn accounts	5,202.9	4,984.3	2,135.0	2,321.2
Credit card outstandings	154.2	140.1	0.3	-
Term loans	7,921.5	7,495.8	1,060.3	1,194.5
Lease finance	70.3	119.0	12.7	19.9
Hire purchase	278.8	264.5	-	-
Commercial bills	588.8	578.2	30.0	76.3
Redeemable preference share finance	280.1	316.0	-	-
Other	502.7	110.7	4.4	3.5
	14,999.3	14,008.6	3,242.7	3,615.4
Total gross loans and advances	56,680.1	47,376.3	23,053.0	20,021.7
Less: provisions for doubtful debts (refer note 15)	1,715.0	1,287.2	906.8	711.5
income yet to mature	2,801.1	2,440.8	367.6	324.9
	4,516.1	3,728.0	1,274.4	1,036.4
Total net loans and advances	52,164.0	43,648.3	21,778.6	18,985.3
Included in the above are receivables of subsidiary borrowing corporations net of income yet to mature				
Not later than 1 year	4,559.8	4,133.5		
Later than 1 year but not later than 2 years	1,979.9	1,768.4		
Later than 2 years but not later than 5 years	2,537.6	2,632.3		
Later than 5 years	299.9	283.5		
	9,377.2	8,817.7		

13: Unproductive loans and facilities

Unproductive loans and facilities are accounts where the facility is not being fully serviced by the customer either in respect of the interest or the principal or both. This category excludes exposures to debt rescheduling countries (refer note 14).

Unproductive loans

Australia	2,169.5	798.1	1,591.8	669.9
Overseas	693.0	745.6	370.9	88.5
	2,862.5	1,543.7	1,962.7	758.4
Less: provisions	1,089.1	538.0	644.1	183.0
Expected recovery – loans	1,773.4	1,005.7	1,318.6	575.4

Unproductive facilities

Australia	262.5	n/a	229.0	n/a
Overseas	72.2	n/a	3.8	n/a
	334.7	n/a	232.8	n/a
Less: provisions	18.9	n/a	12.5	n/a
Expected recovery – facilities	315.8	n/a	220.3	n/a
Total expected recovery	2,089.2	1,005.7	1,538.9	575.4

n/a Not available

14: Exposure to debt rescheduling countries

Group exposure including trade finance and interbank lending to countries subject to debt rescheduling arrangements is set out below. During the year no charge (1989: \$221.0 million) was made to profit to increase provisions on loans to rescheduling countries. Net exposure continues to approximate secondary market values. The decrease in outstandings reflects the conversion of Mexican debt to collateralised discount bonds, backed by US Government securities, under the Mexican Government 1989/92 financing package, and various sales and write downs of other loans. The amounts shown are Australian dollar conversions of predominantly US dollar denominated assets and represent a net exposure of 0.4% (1989: 0.6%) of Group total assets and 8.7% (1989: 13.2%) of shareholders' funds. Of the total exposure over 90% represents lending to Governments, banks and Government entities and no individual country's exposure exceeds 0.5% of Group total assets. Exposure to Iraq and Kuwait is not material. Where considered appropriate specific and general provisions have been made and these approximate 58% (1989: 60%) of the exposure after a notional allowance for tax relief where applicable. In accordance with Group accounting policy general provisions for doubtful debts are not tax effected. Actual provision cover varies from country to country depending on risk assessment.

Central and South America	624.6	1,084.8	416.9	999.1
Eastern Europe	90.6	93.2	50.9	45.4
Africa and Middle East	114.7	117.7	26.0	22.0
Asia and Pacific	60.0	54.7	8.8	6.8
Total outstandings	889.9	1,350.4	502.6	1,073.3
Specific and general provisions*	516.6	822.0	228.5	588.5
Net exposure	373.3	528.4	274.1	484.8
US dollar equivalents	308.0	410.4	226.2	376.5

* Notionally tax effected (refer note 15)

	Consolidated		Holding Company	
	1990	1989	1990	1989
	\$M	\$M	\$M	\$M
15: Provisions for doubtful debts				
Specific provision				
Balance at start of year	578.3	449.5	189.4	128.7
Adjustment for exchange rate fluctuations	(5.5)	(9.2)	(0.3)	0.7
Bad debts written off	(309.0)	(224.4)	(155.0)	(114.7)
Recoveries	29.2	32.9	5.8	6.7
Charge to profit and loss account	788.6	301.3	614.5	166.6
Provisions acquired	54.7	13.4	2.8	-
Transfers within the Group	-	-	(0.6)	1.0
Transfer from interest suspense	-	14.8	-	0.4
Other	3.1	-	-	-
	1,139.4	578.3	656.6	189.4
General provision				
Balance at start of year	708.9	498.7	522.1	353.1
Adjustment for exchange rate fluctuations	(6.4)	(0.7)	(0.5)	(1.4)
Charge to profit and loss account	4.6	227.5	(46.7)	191.2
Provisions acquired (disposed)	7.6	3.5	-	(0.1)
Rescheduled debt written off/sold	(218.1)	(40.0)	(187.1)	(37.6)
Transfers within the Group	-	-	(65.7)	16.2
Notional tax realised on rescheduled debt	58.7	-	7.1	-
Other	20.3	19.9	21.0	0.7
	575.6	708.9	250.2	522.1
Total provisions for doubtful debts	1,715.0	1,287.2	906.8	711.5
Analysis				
General provision balance comprises.				
General	184.4	175.8	103.8	97.3
General rescheduled debt	391.2	533.1	146.4	424.8
Total general provisions	575.6	708.9	250.2	522.1
Rescheduled debt provisions				
General	391.2	533.1	146.4	424.8
Notional tax	94.0	248.6	82.1	157.3
	485.2	781.7	228.5	582.1
Specific	31.4	40.3	-	6.4
Total rescheduled debt cover	516.6	822.0	228.5	588.5
Ratios				
All ratios exclude rescheduled debt provisions and exposures				
Provision as a % of gross loans and advances, and acceptances†				
Specific	1.59	0.93	1.77	0.57
General*	0.43	0.48	0.45	0.49
Total	2.02	1.41	2.22	1.06
Provisions* as a % of risk weighted assets	1.71	1.11	1.66	0.73
Bad debts written off as a % of gross loans and advances, and acceptances	0.44	0.39	0.42	0.36
Doubtful debts charge as a % of				
Operating profit before tax and before abnormal items	132.4	27.4	89.5	21.6
Average advances	1.23	0.57	1.48	0.52

* Tax effected

† Net of income yet to mature

Note: For further details of exposure to debt rescheduling countries refer note 14

16: Shares in subsidiary and associated companies**Subsidiaries**

At cost			2,645.7	2,437.6
At directors' valuation 1981			143.1	143.1
At directors' valuation 1985			369.4	369.4
At directors' valuation 1987			300.7	300.7
Total shares in subsidiary companies			3,458.9	3,250.8

Associates

Quoted-at cost*	15.5	14.1	-	-
Unquoted - at cost less amounts written off	56.4	36.0	37.3	21.8
Total shares in associated companies	71.9	50.1	37.3	21.8
Total shares in subsidiary and associated companies	71.9	50.1	3,496.2	3,272.6

*Market value of quoted shares in associated companies was \$36.8m (1989: \$21.6m) for the Group

	Consolidated		Holding Company	
	1990	1989	1990	1989
	\$M	\$M	\$M	\$M
17: Other assets				
Land held for resale				
Cost of acquisition	421.4	224.1	-	-
Development expenses capitalised	222.6	119.6	-	-
Interest, rates and taxes capitalised	96.9	36.5	-	-
	740.9	380.2	-	-
Less: provision for diminution in value	0.3	1.8	-	-
	740.6	378.4	-	-
Accrued interest/prepaid discount	1,321.1	1,073.7	821.8	518.1
Future income tax benefits (refer below)	634.6	318.0	364.9	169.6
Accrued commission	140.7	55.8	104.5	29.5
Other	876.0	994.7	310.8	261.8
Total other assets	3,713.0	2,820.6	1,602.0	979.0
Future income tax benefits comprise				
Provision for doubtful debts	358.0	142.0	236.7	69.6
Provision for long service leave	67.8	74.6	59.1	53.8
Tax losses	58.1	20.1	14.1	2.2
Reserved interest	42.3	17.1	29.1	8.4
Provision for losses, frauds and forgeries	6.7	18.8	5.5	6.3
Other	101.7	45.4	20.4	29.3
	634.6	318.0	364.9	169.6
Potential future income tax benefits in certain subsidiary companies arising from tax losses and timing differences have not been recognised as assets because recovery is not virtually certain. These benefits, which could amount to \$8.5m (1989: \$5.9m) will only be obtained if				
i) the relevant companies derive future assessable income of a nature and amount sufficient to enable the benefit of the taxation deductions to be realised;				
ii) the relevant companies continue to comply with the conditions for deductibility imposed by law; and				
iii) there are no changes in taxation legislation adversely affecting the benefit of the taxation deductions.				
Capital losses have previously been incurred in subsidiary companies. Potential future income tax benefits of \$8.5 m (1989: \$5.1m) from these losses have not been recognised as assets because recovery is not virtually certain.				
18: Premises and equipment				
Freehold and leasehold land and buildings				
At directors' valuation 1983	0.9	0.9	-	-
At directors' valuation 1984	104.9	179.2	9.8	15.0
At independent valuation 1984	162.8	162.8	1.2	1.2
At independent valuation 1985	48.3	48.3	0.6	0.7
At directors' valuation 1986	63.7	65.0	-	-
At directors' valuation 1987	0.8	192.6	0.1	0.2
At directors' valuation 1989	120.7	120.8	0.6	0.7
At directors' valuation 1990	293.9	-	-	-
At cost	236.2	206.2	42.3	51.4
	1,032.2	975.8	54.6	69.2
Less: provision for depreciation	18.7	27.8	1.2	1.2
	1,013.5	948.0	53.4	68.0
Leasehold improvements				
At cost	101.8	65.1	54.6	44.3
Less: provision for amortisation	40.8	23.4	25.4	19.0
	61.0	41.7	29.2	25.3
Furniture and equipment				
At cost	626.2	508.0	303.0	245.9
Less: provision for depreciation	238.9	200.2	109.4	91.6
	387.3	307.8	193.6	154.3
Computer equipment				
At cost	477.4	495.7	304.5	370.7
Less: provision for depreciation	265.4	307.6	161.1	237.1
	212.0	188.1	143.4	133.6
Total premises and equipment	1,673.8	1,485.6	419.6	381.2

Valuations of land and buildings are assessed annually by officers of the Group. All properties over a specified current value are also subject to external valuation at least every three years by independent valuers. Valuations are based on the estimated open market value and assume that the building concerned continues to be used in its existing manner. The current value of the Group's freehold land is \$717.7 m (1989: \$778.7 m) and the current value of the Holding Company's freehold land is \$11.9m (1989: \$13.7 m). The current value of the Group's freehold and leasehold buildings is \$720.4 m (1989: \$704.6m) and the current value of the Holding Company's freehold and leasehold buildings is \$61.9 m (1989: \$65.5m). The excess of current value over book value for the Group's freehold and leasehold land and buildings is \$424.6m (1989: \$535.3m) and for the Holding Company is \$20.4m (1989: \$11.2m).

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

	Consolidated		Holding Company	
	1990	1989	1990	1989
	\$M	\$M	\$M	\$M
19: Bills payable and other liabilities				
Australia				
Bills payable	498.4	219.4	156.1	205.8
Accrued interest and unearned discounts	1,096.0	1,026.5	542.4	562.7
Accrued charges	56.9	374.1	29.3	42.2
Other liabilities	492.5	271.5	116.5	13.3
	2,143.8	1,891.5	844.3	824.0
Overseas				
Bills payable	134.2	117.8	15.0	10.8
Accrued interest and unearned discounts	1,235.5	1,542.8	773.2	1,122.7
Accrued charges	45.7	53.6	7.7	3.9
Other liabilities	684.2	1,062.9	32.8	52.6
	2,099.6	2,777.1	828.7	1,190.0
Total bills payable and other liabilities	4,243.4	4,668.6	1,673.0	2,014.0
20: Due to other banks				
Australia	1,178.1	721.8	1,145.4	719.0
Overseas	9,142.1	6,342.4	7,755.4	5,182.9
Total due to other banks	10,320.2	7,064.2	8,900.8	5,901.9
21: Deposits and other borrowings				
Australia				
Certificates of deposit	3,476.9	5,208.2	2,767.3	5,208.2
Term deposits	12,625.6	9,466.2	10,910.1	9,000.7
Other deposits bearing interest	10,879.7	5,893.5	2,881.6	859.4
Deposits not bearing interest	2,755.1	2,823.3	2,736.3	2,805.5
Commercial paper	1,123.5	1,235.5	638.5	1,235.5
Other borrowings	8,020.6	8,187.4	1,039.8	616.4
	38,881.4	32,814.1	20,973.6	19,725.7
Overseas				
Certificates of deposit	1,442.1	1,132.9	427.3	213.2
Term deposits	10,129.7	7,919.4	2,817.6	1,787.7
Other deposits bearing interest	4,038.5	4,552.3	107.7	228.6
Deposits not bearing interest	1,481.0	1,748.8	77.6	54.2
Commercial paper	1,212.1	1,369.6	18.2	12.5
Other borrowings	962.8	630.8	358.1	6.9
	19,266.2	17,353.8	3,806.5	2,303.1
Total deposits and other borrowings	58,147.6	50,167.9	24,780.1	22,028.8
Included in the above are liabilities of subsidiary borrowing corporations				
Not later than 1 year	5,297.8	3,871.5		
Later than 1 year but not later than 2 years	2,200.4	2,172.4		
Later than 2 years but not later than 5 years	1,360.6	1,449.6		
Later than 5 years	6.7	2.4		
	8,865.5	7,495.9		
22: Income tax liability				
Australia				
Provision for income tax	240.2	232.3	110.0	168.2
Provision for deferred tax	458.0	432.9	201.2	188.6
	698.2	665.2	311.2	356.8
Overseas				
Provision for income tax	97.7	113.3	30.6	52.2
Provision for deferred tax	43.7	43.8	3.4	12.4
	141.4	157.1	34.0	64.6
Total income tax liability	839.6	822.3	345.2	421.4
Provision for deferred tax comprises				
Investment income	23.0	42.4	14.6	31.7
Lease finance	350.2	306.7	126.2	100.6
Leveraged leasing	52.7	29.3	30.7	2.0
Depreciation	38.3	34.0	30.4	30.3
Other	37.5	64.3	2.7	36.4
	501.7	476.7	204.6	201.0

	Consolidated		Holding Company	
	1990	1989	1990	1989
	\$M	\$M	\$M	\$M
23: Provisions				
Dividends (refer note 6)	152.2	196.0	152.2	196.0
Employee entitlements	198.8	187.8	152.4	138.9
Non-lending losses	46.4	16.4	19.0	10.3
Other	122.7	45.3	12.4	8.8
Total provisions	520.1	445.5	336.0	354.0

24: Bonds and notes

AUD 100m zero coupon bonds due 1991	88.8	78.9	88.8	78.9
CHF 45m 5.625% bearer notes due 1991	42.3	36.0	42.3	36.0
LUX 300m 7.25% bearer notes due 1993	11.3	9.8	11.3	9.8
ECU 100m 8.0% bonds due 1993	160.7	142.2	160.7	142.2
LUX 300m 8.125% bearer notes due 1995	11.3	9.8	-	-
USD 23m 8.25% bearer notes due 1989	-	29.9	-	29.9
GBP 50m 9.125% bonds due 1993	113.9	104.6	113.9	104.6
ECU 50m 9.75% bonds due 1992	80.3	71.1	80.3	71.1
ECU 50m 10.75% bonds due 1991	80.3	71.1	80.3	71.1
AUD 100m 12.625% bonds due 1992	100.0	100.0	100.0	100.0
AUD 100m 12.75% bonds due 1990	-	100.0	-	100.0
AUD 75m 13.0% bonds due 1992	75.0	75.0	75.0	75.0
AUD 65m 13.125% deposit notes due 1993	65.0	65.0	-	-
AUD 50m 13.25% bonds due 1990	50.0	50.0	50.0	50.0
NZD 60m 13.25% bonds due 1992	44.9	45.8	44.9	45.8
AUD 60m 13.5% bonds due 1992	60.0	60.0	60.0	60.0
AUD 50m 14.0% bonds due 1992	50.0	50.0	50.0	50.0
NZD 60m 14.0% bonds due 1992	44.9	45.8	44.9	45.8
NZD 50m 14.0% bonds due 1992	37.4	-	37.4	-
AUD 50m 14.25% bonds due 1991	50.0	50.0	50.0	50.0
AUD 75m 14.75% bonds due 1993	75.0	-	75.0	-
AUD 50m 15.25% bonds due 1990	-	50.0	-	50.0
AUD 50m 16.0% bonds due 1992	50.0	-	50.0	-
AUD 60m 16.25% bonds due 1992	60.0	60.0	60.0	60.0
NZD 50m floating rate notes due 1992	-	37.8	-	-
AUD 50m floating rate notes due 1992	50.0	-	50.0	-
GBP 78m floating rate notes due 1997	177.7	163.1	177.7	163.1
AUD medium term notes	209.8	109.2	209.8	109.2
USD medium term notes	110.9	118.5	110.9	118.5
Total bonds and notes	1,899.5	1,733.6	1,823.2	1,621.0

Bonds and notes by currency

AUD Australian dollars	983.5	848.1	918.5	783.1
ECU European currency units	321.4	284.4	321.4	284.4
GBP British pounds	291.6	267.7	291.6	267.7
NZD New Zealand dollars	127.2	129.4	127.2	91.6
USD United States dollars	110.9	148.4	110.9	148.4
CHF Swiss francs	42.3	36.0	42.3	36.0
LUX Luxembourg francs	22.6	19.6	11.3	9.8
	1,899.5	1,733.6	1,823.2	1,621.0

Bonds and notes by maturity

Due not later than 1 year	512.7	296.7	512.7	296.7
Due later than 1 year but not later than 2 years	715.8	334.8	715.8	334.8
Due later than 2 years but not later than 5 years	493.3	939.0	417.0	826.4
Due later than 5 years	177.7	163.1	177.7	163.1
	1,899.5	1,733.6	1,823.2	1,621.0

Swap arrangements have been entered into in certain circumstances to satisfy the Group's funding requirements.

Holding Company

1990 1989

\$M \$M

25: Paid-up capital

Authorised capital - ordinary shares of \$1 each		
Balance at start of year	1,500.0	1,500.0
Increase in authorised capital	10.0	-
Total authorised capital	1,510.0	1,500.0
	No.	No.
Total number of authorised shares	1,510,000,000	1,500,000,000
Issued and paid-up capital - ordinary shares of \$1 each	\$M	
Balance at start of year	891.5	
Dividend reinvestment plan		
22,847,367 ordinary shares fully paid at \$4.35 per share (interim)	22.8	
17,190,037 ordinary shares fully paid at \$5.43 per share (final)	17.2	
Final call on partly paid rights issue		
40,181,463 ordinary shares fully paid at \$1.90 per share	20.1	
Employee share purchase scheme		
4,746,333 ordinary shares fully paid at \$4.59 per share	4.7	
3,450,216 ordinary shares fully paid at \$3.64 per share	3.5	
Bonus option plan		
3,935,974 ordinary shares fully paid at \$4.35 per share (interim)	4.0	
3,246,620 ordinary shares fully paid at \$5.43 per share (final)	3.2	
Exercise of warrant rights		
2,299,050 options exercised at \$4.59 per option	2.3	
Senior officers share purchase scheme		
1,047,000 ordinary shares fully paid at \$5.58 per share	1.0	
120,500 ordinary shares fully paid at \$4.55 per share	0.1	
35,000 ordinary shares paid to ten cents at \$5.58 per share	-	
85,000 ordinary shares paid to ten cents at \$4.55 per share	-	
Calls on partly paid shares	0.9	
Directors' share and option purchase scheme		
215,000 options exercised at \$3.74 per option	0.2	
Calls on partly paid shares	-	
Total paid-up capital	971.5	
	No.	No.
Comprising		
Ordinary shares of \$1 each fully paid	930,912,266	870,801,169
Ordinary new shares of \$1 each fully paid	40,181,463	-
Ordinary shares of \$1 each paid to 50c per share	-	40,181,463
Ordinary shares of \$1 each paid to 10c per share	4,500,000	5,393,000
Total number of issued shares	975,593,729	916,375,632

Share Options

During the financial year no options to purchase ordinary shares of \$1 each in the Company were granted to directors in terms of the 'directors' share and option purchase scheme' approved by shareholders. By virtue of the exercise of options held by directors and other parties, 2,514,050 ordinary shares of \$1 each were issued.

Unissued ordinary shares of \$1 each under option at 7 December 1990 are as follows

- (i) directors - 275,000 shares at an exercise price of \$3.74 per share and 175,000 shares at an exercise price of \$5.45 per share with expiration dates of 28 February 1994 or 90 days after cessation of a director's term of office; and
- (ii) other parties - 27,130,815 shares at an exercise price of \$4.59 per share exercisable up to and including 5 August 1992. Holders of options to purchase shares in the company have no right, by virtue of those options, to participate in any share issue of any other corporation.

	Consolidated		Holding Company	
	1990	1989	1990	1989
	\$M	\$M	\$M	\$M
26: Reserves				
Share premium reserve				
Balance at start of year	1,155.7	952.8	1,155.7	952.8
Premium on issue of shares	244.2	202.9	244.2	202.9
Transfers between reserves	4.1	-	4.1	-
	1,404.0	1,155.7	1,404.0	1,155.7
Asset revaluation reserve				
Balance at start of year	99.3	50.1	26.8	26.8
Transfer (to) from profit and loss account	(0.7)	-	-	-
Revaluation of properties	66.1	62.2	-	-
Transfers between reserves	-	(13.0)	-	-
Other	(1.4)	-	-	-
	163.3	99.3	26.8	26.8
Foreign currency translation reserve				
Balance at start of year	77.6	112.2	195.2	193.0
Currency translation adjustments	35.9	(102.0)	42.8	(70.2)
Net gain (loss) on hedge contracts*	(17.0)	67.4	(17.0)	72.4
	96.5	77.6	221.0	195.2
<i>*Income tax applicable \$10.9 m (1989: \$43.1 m)</i>				
General reserve				
Balance at start of year	940.2	915.3	539.3	539.3
Transfers from profit and loss account	21.4	24.9	-	-
	961.6	940.2	539.3	539.3
Capital reserve				
Balance at start of year	170.6	164.3	20.7	20.7
Transfers (to) from profit and loss account	-	(6.7)	-	-
Transfers between reserves	(4.1)	13.0	(4.1)	-
	166.5	170.6	16.6	20.7
Total reserves	2,791.9	2,443.4	2,207.7	1,937.7

	Consolidated		Holding Company	
	1990	1989	1990	1989
	\$M	\$M	\$M	\$M
27: Other capital resources				
Perpetual floating rate notes				
USD 300m subordinated floating rate notes ¹	363.6	386.3	363.6	386.3
USD 120m subordinated floating rate notes ²	145.4	154.5	-	-
USD 30m subordinated floating rate notes ³	36.4	38.6	-	-
	545.4	579.4	363.6	386.3
Subordinated floating rate notes				
USD 200m subordinated floating rate notes due 1998 ⁴	242.4	257.4	242.4	257.4
USD 200m subordinated floating rate notes due 1999 ⁵	242.4	-	242.4	-
USD 140m subordinated floating rate notes due 2000 ⁶	169.7	-	169.7	-
USD 100m subordinated floating rate notes due 1992 ⁷	121.2	128.7	-	-
USD 100m subordinated floating rate notes due 1994 ⁸	121.2	128.7	-	-
JPY 10,000m subordinated loan due 1999 ⁹	88.0	92.3	88.0	92.3
USD 70m subordinated floating rate notes due 1999 ¹⁰	84.8	-	84.8	-
AUD 65m subordinated floating rate notes due 2000 ¹¹	65.0	-	65.0	-
AUD 58.2m subordinated floating rate notes due 2001 ¹²	58.2	-	58.2	-
AUD 55.3m subordinated floating rate notes due 2000 ¹³	55.3	-	55.3	-
GBP 22.7m subordinated notes due 2000 ¹⁴	51.7	-	-	-
AUD 48.8m subordinated notes due 1999 ¹⁵	48.8	48.8	48.8	48.8
USD 30m subordinated floating rate notes due 1999 ¹⁶	36.4	-	36.4	-
	1,385.1	655.9	1,091.0	398.5
Total other capital resources	1,930.5	1,235.3	1,454.6	784.8

- ¹ Issued 30 October 1986. Interest is payable semi-annually in arrears in April and October at a rate of 0.15% p.a. above rates offered for US dollar deposits by leading banks in London (LIBOR) for each six month period.
- ² Issued 30 November 1988. Interest is payable semi-annually in arrears in May and November. The interest rate is equal to 0.8% p.a. above LIBOR. The notes are issued with a repricing option in 1998 and each 10 years thereafter.
- ³ Issued 15 December 1988. Interest is payable semi-annually in arrears in May and November. The interest rate is equal to 0.8% p.a. above LIBOR. The notes are issued with a repricing option in 1998 and each 10 years thereafter.
- ⁴ Issued 10 March 1988 and will mature in March 1998. Interest on the notes is payable semi-annually in arrears in March and September at a rate 0.50% p.a. above LIBOR.
- ⁵ Issued 20 December 1989 and will mature in December 1999. Interest on the notes is payable semi-annually in arrears in June and December at a rate 0.50% p.a. above LIBOR.
- ⁶ Issued 24 April 1990 and will mature in April 2000. Interest on the notes is payable semi-annually in arrears in April and October at a rate of 0.50% p.a. above LIBOR.
- ⁷ Issued 29 September 1982 and will mature in September 1992. Interest on the notes is payable semi-annually in arrears in March and September at a rate of 0.25% p.a. above LIBOR.
- ⁸ Issued 1 February 1984 and will mature in February 1994. Interest on the notes is payable semi-annually in arrears in February and August at a rate 0.125% p.a. above LIBOR.
- ⁹ Issued 26 June 1989 and will mature in June 1999. The redemption amount of these notes is linked by a formula to future foreign exchange rates. Interest is payable annually in arrears in June.
- ¹⁰ Issued 15 November 1989 and will mature in October 1999. Interest on the notes is payable semi-annually in arrears in April and October at a rate 0.46% p.a. above LIBOR.
- ¹¹ Issued 4 April 1990 and will mature in March 2000. Interest is payable quarterly in arrears in March, June, September and December at a rate 0.40% p.a. above the stated average of Bank Bill rates.
- ¹² Issued 27 August 1990 and will mature in January 2001. Interest on the notes is payable semi-annually in arrears in January and July. The interest rate is 12.5% p.a. until July 1996, thereafter the interest will be at a rate 0.40% p.a. above the stated average of Bank Bill rates.
- ¹³ Issued 16 March 1990 and will mature in March 2000. Interest on the notes is payable semi-annually in arrears in March and September. The interest rate is 12.5% p.a. until March 1995, thereafter the interest will be at a rate 0.40% p.a. above the stated average of Bank Bill rates.
- ¹⁴ Issued 24 January 1990 and will mature in January 2000. The redemption amount of these notes is linked by a formula to future foreign exchange rates. Interest is payable annually in arrears in January.
- ¹⁵ Issued 29 March 1989 and will mature in March 1999. The redemption amount of these notes is linked by a formula to future foreign exchange rates. Interest is payable annually in arrears in March.
- ¹⁶ Issued 15 November 1989 and will mature in September 1999. Interest on the notes is payable semi-annually in arrears in March and September at a rate 0.46% p.a. above LIBOR.

Other capital resources are subordinated in right of payment to the claims of depositors and all other creditors of the Group companies which have issued the notes and constitutes tier 2 capital as defined by the Reserve Bank of Australia for capital adequacy purposes.

28: Exchange rates

The exchange rates used in the translation of the results and the assets and liabilities of major overseas branches and subsidiaries are as follows

	1990		1989	
	Closing	Average	Closing	Average
British pound	0.4390	0.4606	0.4783	0.4749
United States dollar	0.8251	0.7772	0.7766	0.8028
New Zealand dollar	1.3364	1.3091	1.3160	1.3130

29: Segment analysis

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

The Group's principal operations are in its domestic markets of Australia and New Zealand. The Group also has significant international operations, being represented in over 40 countries worldwide. Although some of these international operations have a domestic base or origin, the Group's international strategy revolves around a network and accordingly segmentation reflects that strategy. Further geographic segmentation of domicile and risk is not considered appropriate to the presentation of the Group's results.

Results

	Pre tax					Post tax				
	1990		1989		1990		1989			
	\$M	%	\$M	%	\$M	%	\$M	%		
Geographical										
Australia	184.9	30.9	772.7	68.8	105.1	25.5	489.0	67.8		
New Zealand	110.3	18.4	76.5	6.8	87.0	21.1	64.5	8.9		
International markets	303.7	50.7	273.3	24.4	220.4	53.4	168.2	23.3		
	598.9	100.0	1,122.5	100.0	412.5	100.0	721.7	100.0		
Abnormal items	(182.6)		(361.8)		(191.0)		(371.0)			
	416.3		760.7		221.5		350.7			
Industry										
Global banking	472.6	78.9	934.4	83.2	327.9	79.5	592.6	82.1		
Investment banking	(41.9)	(7.0)	(31.1)	(2.8)	(29.5)	(7.1)	(16.4)	(2.3)		
Finance	73.9	12.3	154.1	13.7	47.9	11.6	96.0	13.3		
Insurance and funds management	60.3	10.1	44.4	4.0	45.5	11.0	34.9	4.9		
Other	34.0	5.7	20.7	1.9	20.7	5.0	14.6	2.0		
	598.9	100.0	1,122.5	100.0	412.5	100.0	721.7	100.0		
Abnormal items	(182.6)		(361.8)		(191.0)		(371.0)			
	416.3		760.7		221.5		350.7			

Income and assets

	Income					Total assets				
	1990		1989		1990		1989			
	\$M	%	\$M	%	\$M	%	\$M	%		
Geographical										
Australia	7,815.8	65.4	6,146.6	60.2	65,215.4	66.0	53,640.7	63.4		
New Zealand	1,324.1	11.1	1,167.5	11.4	9,768.7	9.9	9,078.4	10.7		
International markets	2,814.0	23.5	2,894.2	28.4	23,757.5	24.1	21,905.1	25.9		
	11,953.9	100.0	10,208.3	100.0	98,741.6	100.0	84,624.2	100.0		
Industry										
Global banking	9,712.1	81.2	8,365.6	82.0	84,421.4	85.5	71,530.7	84.5		
Investment banking	439.1	3.7	500.7	4.9	3,036.8	3.1	2,970.6	3.5		
Finance	1,614.1	13.5	1,234.6	12.1	9,709.3	9.8	9,029.2	10.7		
Insurance and funds management	133.2	1.1	85.3	0.8	208.3	0.2	181.8	0.2		
Other	55.4	0.5	22.1	0.2	1,365.8	1.4	911.9	1.1		
	11,953.9	100.0	10,208.3	100.0	98,741.6	100.0	84,624.2	100.0		

30: Consolidated statement of sources and applications of funds

	1990	1989		1990	1989
	\$M	\$M		\$M	\$M
Sources of funds			Applications of funds		
Inflow of funds from operations			Increase in assets		
Interest received ¹	10,194.2	8,566.3	Liquid assets	-	586.2
Other operating income ²	2,030.5	1,806.9	Due from other banks	3,662.5	2,185.4
	12,224.7	10,373.2	Trading securities	311.1	1,078.0
Outflow of funds from operations ³	11,555.8	9,370.1	Investment securities	-	634.9
			Net loans and advances	8,515.7	7,763.8
Funds from operations	668.9	1,003.1	Shares in associated companies	21.8	13.1
Decrease in assets			Other assets	757.7	422.5
Liquid assets	513.2	-	Premises and equipment	278.5	190.2
Investment securities	837.0	-	Decrease in liabilities		
Regulatory deposits	164.5	39.7	Bills payable and other liabilities	425.2	-
Increase in liabilities			Minority interests	-	1.7
Bills payable and other liabilities	-	1,714.2	Income tax paid	293.9	493.9
Due to other banks	3,256.0	473.0	Dividends paid	363.6	516.8
Deposits and other borrowings	7,979.7	9,839.4	Other provision payments	46.3	77.8
Bonds and notes	165.9	267.5	Total applications of funds	14,676.3	13,964.3
Provisions	68.5	10.2			
Proceeds from issue of shares	324.2	276.5	Assets and liabilities of acquisitions have been included in the		
Minority interests	3.2	-	summary of sources and applications of funds under the appropriate		
Proceeds from issue of loan capital	695.2	340.7	headings as follows		
Total sources of funds	14,676.3	13,964.3	Liquid assets	409.9	2,121.7
			Due from other banks	2.9	-
Reconciliation of operating profit before income tax			Trading securities	414.9	-
with funds from operations			Investment securities	925.1	1,138.5
Operating profit before income tax	598.9	1,122.5	Regulatory deposits	34.7	-
Less: abnormal items before tax	182.6	361.8	Net loans and advances	4,067.8	1,275.5
	416.3	760.7	Other assets	382.2	20.0
Add: non-fund items			Premises and equipment	110.3	44.2
Depreciation and amortisation	156.4	157.0	Bills payable and other liabilities	(1,078.8)	(458.3)
Provision for employee entitlements	29.2	29.7	Due to other banks	(6.4)	-
Provision for non-lending losses	27.2	0.6	Deposits and other borrowings	(4,870.4)	(3,698.3)
Other provisions	39.8	55.1	Income tax liability	(4.7)	(17.3)
Funds from operations	668.9	1,003.1	Provisions	(68.5)	(10.2)
				319.0	415.8
			Goodwill on acquisition	257.4	235.7
			Net consideration paid	576.4	651.5

¹ Do not include abnormal items (1989: \$28.3 million)

² Includes proceeds on sale of subsidiaries and properties of \$270.8 million (1989: \$136.6 million)

³ Includes abnormal items of \$285.5 million (1989: \$456.7 million) and outflow on sale of subsidiaries and properties of \$158.7 million (1989: \$68.0 million)

	Incorporated in	Contribution to				Nature of Business
		Book value		Group result		
		1990	1989	1990	1989	
		\$M	\$M	\$M	\$M	
31: Subsidiary companies						
All subsidiaries are 100% owned except otherwise denoted						
Australia and New Zealand Banking Group Limited				(21.4)	260.4	
ANZ Executors & Trustee Company Ltd	Australia	6.0	6.0	8.6	8.5	Trustee/nominee
ANZ Executors Nominees Ltd	Australia	#	#	#	#	Trustee/nominee
ANZ Executors Nominees (NSW) Ltd	Australia	#	#	#	#	Trustee/nominee
ANZ Executors & Trustee Co. (Canberra) Ltd	Australia	0.6	0.6	0.2	0.2	Trustee/nominee
ANZ Executors & Trustee Co. (South Australia) Ltd	Australia	0.8	0.8	0.7	0.4	Trustee/nominee
ANZ Funds Pty Ltd	Australia	1,632.7	1,860.2	(0.4)	2.2	Holding company
+ Town & Country W.A. Building Society	Australia	83.2	-	0.2	-	Finance
+ Glencove Pty Ltd	Australia	#	-	#	-	Non-operative
+ Guaranty Finance Insurance Pty Ltd	Australia	5.0	-	#	-	Mortgage insurance
+ T & C Management Pty Ltd	Australia	#	-	#	-	Property manager
+ T & C Technology Pty Ltd	Australia	#	-	#	-	Computer software
+ Town & Country Properties Ltd	Australia	#	-	#	-	Management
+ Town & Country Trustees Ltd	Australia	#	-	#	-	Non-operative
* ANZ International Pte Ltd	Singapore	258.3	504.4	1.1	#	Holding company
* ANZ (Asia) Ltd	Hong Kong	1.6	1.7	8.1	8.1	Deposit taker
* ANZ Asia Pacific Holdings Ltd	Hong Kong	5.2	5.5	1.2	0.9	Holding company
* ANZ Bank (Cook Islands) Ltd	Cook Islands	#	#	#	#	Banking
* ANZ Bank (Vanuatu) Ltd	Vanuatu	1.0	#	2.0	1.7	Banking
* ANZ International Trustee Ltd	British Virgin Islands	#	#	#	#	Trustee
* ANZ Managed Investments (Asia) Pte Ltd	Singapore	0.3	0.3	#	#	Investment
* ANZ McCaughan Securities (Asia) Ltd	Hong Kong	1.6	1.4	0.6	#	Merchant banking
* ANZ Singapore Ltd	Singapore	8.1	8.4	2.2	1.6	Merchant banking
* ANZCOVER Insurance Pte Ltd	Singapore	4.1	3.9	(1.3)	4.1	Insurance
* Beneficial Acceptance Ltd	Vanuatu	0.1	0.1	#	#	Property owner
* Index Computing Pte Ltd	India	0.5	0.5	0.3	(0.5)	Consultant
* Mercantile Securities (Hong Kong) Ltd	Hong Kong	#	#	#	0.1	Money lender
* Minerva Holdings Ltd	England	196.1	136.7	14.7	#	Investment
* ANZ U.K. Dividends (AUD) Ltd	England	#	-	#	-	Dividend plan
* Rarotonga Trustee Corporation Ltd	Cook Islands	0.3	0.2	#	#	Trustee
* International Management Services Ltd	Cook Islands	#	-	#	-	Trustee
* Rarotonga Secretarial Services Ltd	Cook Islands	#	-	#	-	Trustee services
* Siam Digest Ltd	Thailand	#	#	0.1	(0.1)	Investment vehicle
* Soci�t� Immobili�re Pasteur de Vat� Unlimited	Vanuatu	0.2	#	#	#	Property owner
* ANZ Holdings (New Zealand) Ltd	New Zealand	171.4	175.0	(45.7)	(24.8)	Holding company
* ANZ Banking Group (New Zealand) Ltd	New Zealand	301.9	306.6	45.9	26.6	Banking
* ANZ Investment Services (New Zealand) Ltd	New Zealand	#	#	#	#	Trust management
* ANZ McCaughan (NZ) Ltd	New Zealand	#	1.5	(1.6)	(0.5)	Merchant banking
* ANZ McCaughan Securities (NZ) Ltd	New Zealand	0.2	-	#	-	Stockbroking
* ANZ Name Protection Company Ltd	New Zealand	#	#	#	#	Non-operative
* ANZ Pensions (New Zealand) Ltd	New Zealand	#	#	#	#	Staff pension funds
* ANZ Properties (New Zealand) Ltd	New Zealand	10.0	10.1	(1.8)	1.7	Property owner
* ANZ Savings Bank (New Zealand) Ltd	New Zealand	7.6	7.7	4.7	3.9	Banking
* ANZ Securities (New Zealand) Ltd	New Zealand	#	#	#	#	Non-operative
* ANZ (New Zealand) Finance NV	Netherlands Antilles	#	#	#	#	Non-operative
* Bage Investments Limited	New Zealand	187.1	114.0	#	#	Equity investment
* Charge Card Corporation Ltd	New Zealand	#	#	0.3	0.2	Charge card services
* Endeavour Investments (New Zealand) Ltd	New Zealand	340.3	178.4	12.9	20.1	Holding company
* Esanda Ltd	New Zealand	#	#	#	#	Name protection
* Leverage Lease Nominee Ltd	New Zealand	#	#	#	#	Nominee
* McCaughan Dyson Capel Cure (NZ) Ltd	New Zealand	1.3	2.3	#	(0.6)	Non-operative
* Post Office Bank Limited	New Zealand	266.1	270.2	68.8	33.6	Banking
* Post Office of New Zealand Ltd	New Zealand	#	#	#	#	Non-operative
* UDC Developments Ltd	New Zealand	#	#	(3.4)	(2.6)	Investment
* UDC Finance Ltd	New Zealand	#	#	2.9	3.1	Finance
* UDC Group Holdings Ltd	New Zealand	43.9	33.5	#	#	Holding company
* UDC Leasing Ltd	New Zealand	#	#	4.4	3.2	Lease finance
* UDC Mercantile Securities Ltd	New Zealand	#	#	#	1.2	Finance
* UDC Nominees Ltd	New Zealand	#	#	#	#	Nominee

	Incorporated in	Contribution to				Nature of Business
		Book value		Group result		
		1990	1989	1990	1989	
		\$M	\$M	\$M	\$M	
31: Subsidiary companies (continued)						
* ANZ Holdings (UK) plc	England	386.8	355.0	0.7	33.3	Holding company
* Anvid Ltd	England	#	#	#	#	Property finance
* Anzstock Securities Ltd	England	3.4	3.1	(0.8)	(3.5)	Market maker
* ANZ Aval Ltd	England	#	#	#	#	Factoring
* ANZ Finance Corporation Ltd	England	#	#	(1.3)	(3.4)	Holding company
* ANZ Finanziaria Sp A	Italy	0.1	0.1	#	#	Finance
* ANZ Grindlays Bank (Jersey) Ltd	Jersey	3.4	3.1	15.9	11.5	Banking
* ANZ Grindlays Bank (Zambia) Ltd	Zambia	2.5	2.3	1.1	1.5	Banking
* ANZ Grindlays Bank (Zimbabwe) Ltd	Zimbabwe	19.6	#	1.8	#	Banking
* ANZ Grindlays Bank Nominees (Jersey) Ltd	Jersey	#	#	#	#	Nominee
* ANZ Grindlays Bank plc	England	237.1	217.6	126.2	118.8	Banking
* ANZ Grindlays Executor & Trustee Co. Ltd	England	0.2	0.2	#	#	Corporate trustee
* ANZ Grindlays Export Finance Ltd	England	0.6	0.6	0.2	0.4	Export financing
* ANZ Grindlays Finance (Zimbabwe) Ltd	Zimbabwe	0.6	0.6	0.5	0.5	Hire purchase
* ANZ Grindlays Finance Corporation Ltd	England	4.6	4.1	(3.9)	(4.5)	Holding company
* ANZ Grindlays Industrial Holdings Ltd	England	5.1	4.7	(0.3)	0.5	Holding company
* ANZ Grindlays International Ltd	Hong Kong	4.9	4.5	0.9	#	Offshore banking
* ANZ Grindlays Leasing (Zambia) Ltd	Zambia	0.8	0.8	0.6	0.8	Lease finance
* ANZ Grindlays Secretarial Services Ltd	Jersey	#	#	#	#	Company administration
+ ANZ Grindlays Trust Company SA	Switzerland	#	#	#	#	Trust manager
* ANZ Grindlays Trust (Jersey) Ltd	Jersey	#	#	#	0.4	Trust manager
* ANZ Leasing Ltd	England	#	#	(1.9)	(1.4)	Lease finance
* ANZ Leasing (No 2) Ltd	England	#	#	#	0.1	Lease finance
* ANZ McCaughan Futures (UK) Limited	England	0.1	0.1	#	#	Futures trading
* ANZ McCaughan Properties Ltd	England	#	#	2.9	1.1	Property holding
* ANZ McCaughan Securities (Switzerland) AG	Switzerland	4.9	4.5	(5.2)	#	Finance/banking
* ANZ McCaughan Securities (UK) Limited	England	22.8	20.9	(2.7)	(15.6)	Investment banking
* ANZ McCaughan (UK) Limited	England	#	#	(13.0)	(5.7)	Holding company
* ANZ Merchant Bank Ltd	England	72.0	66.1	(1.6)	4.9	Investment banking
* ANZ Merchant Bank Nominees Ltd	England	#	#	#	#	Nominee
* ANZ Overseas Finance Ltd	England	0.1	0.1	#	#	Non-operative
* ANZ Participacoes E Servicos Ltda	Brazil	0.1	0.1	0.1	0.2	Representative services
* ANZ Securities (Agency Broking) Ltd	England	1.1	1.0	#	0.1	Agency broking
* Avrenim Catering Services Ltd	England	#	#	#	#	Catering services
* Benfar Ltd	England	#	#	#	#	Printing services
* Brandts Nominees Ltd	England	#	#	#	#	Nominee
* Camberley Developments Ltd	England	#	#	#	#	Property development
* Caphouse Nominees Ltd	England	#	#	#	#	Nominee
* Clive Street Nominees Pte Ltd	India	#	#	#	#	Nominee
* E.S.&A. Properties (UK) Ltd	England	0.3	0.3	#	#	Non-operative
* Gillespie Bros & Company Ltd	England	#	#	#	#	Non-operative
* Grindlay Vanguard Management Ltd	Jersey	#	#	#	#	Investment manager
* Grindlays Bank International (Kenya) Ltd ³	Kenya	0.8	0.7	0.9	0.2	Banking
+ Grindlays Bank International (Uganda) Ltd	Uganda	0.5	0.5	0.1	0.2	Banking
+ Grindlays Bank (Uganda) Ltd ⁴	Uganda	0.5	0.5	0.2	0.1	Banking
+ Grindlays Bank (Zaire) S.Z.A.R.L.	Zaire	0.5	0.4	1.1	1.6	Banking
* Grindlays Company Ltd	Hong Kong	#	#	#	#	Non-operative
* Grindlays Equipment Finance Ltd	England	#	#	0.1	0.1	Lease finance
* Grindlays Executor & Trust Company (Private) Ltd	Zimbabwe	#	#	#	#	Trustee
+ Grindlays Export Finance AG	Switzerland	#	#	#	#	Non-operative
* Grindlays International (Cayman Islands) Ltd	Cayman Islands	#	#	#	#	Non-operative
* Grindlays International (Curacao) NV	Netherlands Antilles	0.1	0.1	#	#	Non-operative
* Grindlays International (Nederland) BV	Netherlands	0.5	0.4	#	#	Non-operative
* Grindlays International Finance (Kenya) Ltd ⁵	Kenya	#	#	#	0.3	Project finance
* Grindlays Nominees (Kenya) Ltd ⁶	Kenya	#	#	#	#	Nominee
* Grindlays Nominees (Private) Ltd	Zimbabwe	#	#	#	#	Nominee
* Grindlays Nominees (Zambia) Ltd	Zambia	#	#	#	#	Nominee
+ Grindlays Services of Pakistan (Private) Ltd	Pakistan	0.8	0.8	#	0.2	Unit trust
* Grindlays (No 1) Investments Ltd	England	#	#	0.2	0.1	Non-operative
* Grindlays (No 4) Investments Ltd	England	#	#	#	0.1	Non-operative
* Grindlays (No 5) Investments Ltd	England	#	#	#	#	Non-operative
* Grindlays (No 6) Investments Ltd	England	#	#	#	#	Non-operative

	Incorporated in	Contribution to				Nature of Business
		Book value		Group result		
		1990	1989	1990	1989	
		\$M	\$M	\$M	\$M	
* Hotel Regina SA	Switzerland	#	#	#	#	Non-operative
^* Lable Shipping Inc.	Liberia	#	#	#	#	Holding company
* McCaughan Dyson Capel Cure Corporate Finance Ltd	England	#	#	#	#	Name protection
* McCaughan Nominees (UK) Ltd	England	#	#	#	#	Nominee
* Minerva Nominees Ltd	England	#	#	#	#	Nominee
* National and Grindlays Bank Ltd	England	#	#	#	#	Non-operative
* National and Grindlays Bank Trust Co. Ltd	England	#	#	#	#	Trustee
* Pargola (Shipping) Ltd	England	#	#	#	#	Export finance
* Societe Immobiliere Quai du Mont-Blanc 7	Switzerland	#	#	#	0.1	Property holding
* Spey Industrials Ltd	England	#	#	#	#	Non-operative
* Zealand Nominees Ltd	England	#	#	#	#	Nominee
ANZ Life Assurance Company Ltd	Australia	65.1	48.3	22.5	17.6	Life assurance
Crescent Pacific Properties Ltd	Australia	#	#	#	#	Investment
Crown Woolrych Ltd	Australia	#	#	#	#	Financial planning
Greater Pacific Casualty Ltd	Australia	#	0.1	0.1	(0.1)	Disability insurance
Greater Pacific Financial Services Ltd	Australia	0.2	0.3	0.1	(0.3)	Telecom bonds
Greater Pacific Nominees Pty Ltd	Australia	#	#	#	#	Trustee
ANZ McCaughan Ltd	Australia	41.7	41.7	(0.8)	5.5	Merchant banking
ANZCAP Commercial Development Ltd	Australia	#	#	#	#	Consulting
ANZCAP Nominees Ltd	Australia	#	#	#	#	Nominee services
ANZCAP Securities Ltd	Australia	2.0	2.0	(0.1)	#	Securities dealer
ANZ McCaughan Clearing Services Ltd	Australia	1.0	1.0	0.1	0.1	Funds management
ANZ McCaughan Corporate & Financial Services Ltd	Australia	0.8	0.8	(1.1)	#	Consulting
ANZ McCaughan Futures Ltd	Australia	#	#	1.0	0.5	Futures trading
ANZ McCaughan Securities Limited	Australia	6.4	6.4	(1.2)	(1.0)	Stockbroking
* ANZ McCaughan Securities (Nederlands) BV	Netherlands	0.1	0.1	#	0.1	Stockbroking
* ANZ McCaughan Securities (USA) Inc.	USA	0.8	0.8	#	0.7	Stockbroking
ANZ McCaughan Services Pty Ltd	Australia	#	#	(2.3)	0.4	Non-operative
* Australian International Ltd	Vanuatu	0.2	0.2	#	0.1	Merchant banking
Bow Lane Nominees Pty Ltd	Australia	#	#	#	#	Nominee
Carroll Investment Group Ltd	Australia	2.5	2.5	#	#	Investment
Kite Nominees Pty Ltd	Australia	#	#	#	#	Nominee
* McCaughan Dyson International Holdings BV	Netherlands	0.1	0.1	#	#	Holding company
Skeet Nominees Pty Ltd	Australia	#	#	#	#	Nominee
Snipe Nominees (1981) Pty Ltd	Australia	#	#	#	#	Nominee
Teal Nominees Pty Ltd	Australia	#	#	#	#	Nominee
Australia and New Zealand Savings Bank Ltd	Australia	7.5	7.5	86.7	82.7	Banking
A.N.Z. Properties (Australia) Ltd	Australia	105.0	5.0	1.5	1.8	Property owner
Weelya Pty Ltd	Australia	#	#	#	#	Property owner
+ Development Finance Corporation Ltd	Australia	64.1	64.1	1.6	1.3	Investment banking
+ Abeam Pty Ltd	Australia	#	-	#	-	Management
AFT Investors Services Ltd	Australia	5.9	8.7	(0.5)	1.0	Holding company
+ AFT Ltd	Australia	1.0	1.0	(1.1)	0.5	Unit trust manager
AFT Portfolio Management Ltd	Australia	6.1	6.1	0.1	2.4	Property trust manager
AFT Property Management Pty Ltd	Australia	#	#	#	#	Real estate manager
AFT Property Services Pty Ltd	Australia	#	#	#	0.1	Real estate manager
AFT (Canberra) Ltd	Australia	#	#	#	#	Retirement fund
+ Allied Australian Investments Ltd	Australia	3.1	3.1	#	#	Investment
Australian Fixed Trusts Ltd	Australia	0.8	0.8	#	#	Superfund trustee
^+ Australian Fixed Trusts (Victoria) Ltd	Australia	0.7	0.7	#	#	Superfund trustee
+ Belobek Pty Ltd	Australia	#	#	(1.5)	0.1	Securities investment
+ Buzila Pty Ltd	Australia	#	#	#	#	Holding company
Cyplan Ltd	Australia	0.3	0.3	#	0.2	Unit trust manager
+ Delfin Acceptances Ltd	Australia	6.8	6.8	0.2	0.3	Investment banking
+ Delfin Constructions Pty Ltd	Australia	0.1	0.1	#	#	Property development
+ Delfin Financial Services Ltd	Australia	#	#	#	0.1	Leasing services
+ Delfin Holdings Ltd	Australia	15.9	15.9	2.3	2.1	Investment
^+ Delfin Investment Services Ltd	Australia	0.6	0.6	#	#	Investment manager
Delfin Management Services Pty Ltd	Australia	1.4	1.4	#	#	Property management
Delfin Project Management (Qld) Pty Ltd	Australia	#	#	#	#	Property development
Delfin Properties Pty Ltd	Australia	5.0	5.0	#	0.3	Property owner
Delfin Property Group Ltd	Australia	6.0	6.0	4.8	5.2	Property development

	Incorporated in	Contribution to				Nature of Business
		Book value		Group result		
		1990	1989	1990	1989	
		\$M	\$M	\$M	\$M	
31: Subsidiary companies (continued)						
Delfin Realty Pty Ltd	Australia	0.2	0.2	0.7	0.8	Real estate agent
Delfin Retirement Properties Pty Ltd	Australia	#	#	0.1	#	Property development
+ Delfin Securities Pty Ltd	Australia	#	#	#	#	Trustee
+ Delfin Services Ltd	Australia	1.5	1.5	#	#	Investment
+ Delfin Underwriting Ltd	Australia	0.5	0.5	0.1	0.6	Underwriting
+ Development Nominees Pty Ltd	Australia	#	#	#	#	Nominee
+ Japan-Australia Investment Co. Ltd	Australia	0.9	0.9	#	0.1	Investment banking
Lakes Shore Hotel Pty Ltd	Australia	#	#	#	#	Property development
Reillo Holdings Pty Ltd	Australia	#	#	0.1	#	Property development
Seaford Development Corporation Pty Ltd	Australia	#	-	#	-	Property development
+ Vebeta Pty Ltd	Australia	1.1	1.1	#	#	Investment
West Lakes Ltd	Australia	9.7	9.7	0.3	0.1	Property development
+ Esanda Finance Corporation Ltd	Australia	369.5	388.6	37.3	80.3	General finance
+ Alliance Acceptance Co. Ltd	Australia	7.1	4.0	3.1	1.3	Finance
+ Alliance Commercial Finance Ltd	Australia	0.7	0.6	0.1	3.0	Trade finance
+ Alliance Credit (NSW) Pty Ltd	Australia	0.8	0.7	0.1	(1.2)	Finance
+ Alliance Finance (Leasing) Pty Ltd	Australia	0.3	0.3	#	#	Finance
+ Alliance Holdings Ltd	Australia	131.0	131.1	(0.1)	(3.3)	Holding company
+ Analed Pty Ltd	Australia	#	#	(14.4)	0.8	Guarantor corporation
+ ANZCAP Leasing Nominees Pty Ltd	Australia	0.1	#	0.1	(0.9)	Lease finance
+ ANZCAP Leasing Nominees (Vic) Pty Ltd	Australia	#	#	#	#	Lease finance
+ ANZCAP Leasing Services Ltd	Australia	0.1	#	0.1	0.5	Lease finance
+ ANZCAP Leasing Services (Vic) Ltd	Australia	0.3	#	0.3	(0.4)	Lease finance
+ Clark Equipment Credit Proprietary Ltd	Australia	#	#	1.0	0.1	Lease finance
+ Endeavour Hills Pty Ltd	Australia	#	#	#	#	Custodian/trustee
+ Esanda (Finance) Australia Ltd	Australia	#	#	0.1	(1.6)	Lease finance
+ Esanda (Wholesale) Pty Ltd	Australia	#	#	#	#	Motor vehicle finance
+ FCA Finance Pty Ltd	Australia	18.5	16.0	8.3	7.2	Real estate finance
+ Finance Corporation of Australia Ltd	Australia	97.1	108.1	4.5	4.8	Real estate finance
+ Ironbark Developments Pty Ltd	Australia	#	#	#	#	Agent/trustee
+ John Beesley Developments Pty Ltd	Australia	#	#	#	#	Land development
+ Lefca Developments (Section 7) Pty Ltd	Australia	#	#	#	#	Trust beneficiary
+ Lefca Investments Pty Ltd	Australia	#	#	#	#	Agent/trustee
+ Lepac Limited	Australia	126.0	125.9	0.1	#	Equity investment
+ MCL Finance Pty Ltd	Australia	1.3	0.7	0.6	(0.6)	Finance
+ MCL Holdings Pty Ltd	Australia	8.9	8.9	#	#	Holding company
+ MCL Leasing Pty Ltd	Australia	0.5	0.5	(0.1)	#	Finance
+ Mercantile Credits Ltd	Australia	101.4	99.7	1.8	(0.8)	General finance
+ Mercantile Credits Financial Services Ltd	Australia	19.4	19.3	#	(0.1)	Insurance broker
+ Mercantile Credits (N.Z.) Ltd	New Zealand	#	#	#	#	Finance
+ Mercantile Credits (P.N.G.) Pty Ltd	PNG	#	#	#	#	Finance
+ Mercantile Underwood Ltd	Australia	77.8	77.1	0.8	0.6	Investment
+ Mercredits Leasing Ltd	Australia	1.3	1.2	0.1	0.1	Finance
+ Mercredits Wholesale Ltd	Australia	1.2	1.1	0.1	0.2	Finance
+ Merryn Developments Pty Ltd ⁹	Australia	#	#	0.1	#	Land developer
+ Merscard (N.Z.) Ltd	New Zealand	#	#	#	#	Finance
+ The National Alliance Insurance Co. Ltd	Australia	1.8	1.8	#	0.2	Insurance
McCaughan Dyson Holdings Ltd	Australia	13.2	13.2	#	#	Holding company
McCaughan Dyson Capel Cure Securities Ltd	Australia	#	#	#	#	Non-operative
‡ Melbourne Safe Deposit Pty Ltd	Australia	#	#	#	(0.1)	Holding company
ANZ Funds Management Ltd	Australia	0.2	0.2	13.4	4.5	Unit trust manager
ANZ Group Insurance Brokers Ltd	Australia	#	#	#	#	Insurance broking
ANZ Managed Investments (Qld) Ltd	Australia	0.1	0.1	#	#	Investment services
National Mutual Royal Bank Ltd	Australia	212.7	-	6.1	-	Banking
Adbay Pty Ltd	Australia	#	-	#	-	Non-operative
Automatic Clearing Houses Pty Ltd	Australia	#	-	#	-	Non-operative
Bronzan Pty Ltd	Australia	0.6	-	#	-	Investment
Capel Court Capital Markets Ltd	Australia	#	-	#	-	Non-operative
Capel Court Corporation Ltd	Australia	57.4	-	#	-	Investment banking
Capel Court Finance Ltd	Australia	#	-	#	-	Investment
Capel Court Finance (Vic.) Pty Ltd	Australia	#	-	#	-	Non-operative
* Capel Court Inc.	USA	#	-	#	-	Investment
Capel Court International Investments Pty Ltd	Australia	#	-	(0.4)	-	Investment
Capel Court Investments Pty Ltd	Australia	2.1	-	#	-	Investment
* Capel Court Investments (Singapore) Pte Ltd	Singapore	#	-	#	-	Non-operative
Capel Court Management Ltd	Australia	0.9	-	(0.9)	-	Investment

	Incorporated in	Contribution to				Nature of Business	
		Book value		Group result			
		1990	1989	1990	1989		
		\$M	\$M	\$M	\$M		
31: Subsidiary companies (continued)							
	Capel Court Nominees Ltd	Australia	#	-	#	-	Nominee
*	Capel Court Pacific Inc.	USA	0.1	-	#	-	Investment advisory
	Capel Court Powell Ltd	Australia	4.7	-	#	-	Non-operative
*	Capel Court (Asia) Ltd	Hong Kong	0.4	-	#	-	Non-operative
*	Capel Court (N.Z.) Ltd	New Zealand	#	-	#	-	Non-operative
*	Capel Court (UK) Ltd	England	#	-	#	-	Non-operative
	Castle-Lane (Nominees) Pty Ltd	Australia	#	-	#	-	Nominee
	Ceylonite Pty Ltd	Australia	#	-	#	-	Investment
	Dalyee Pty Ltd	Australia	1.6	-	#	-	Investment
	Ecomel Pty Ltd	Australia	#	-	#	-	Servicing agent
	Elgeba Pty Ltd	Australia	#	-	#	-	Agency
	Excelsior Holdings Pty Ltd	Australia	#	-	#	-	Investment
	Fifth Mallatri Pty Ltd	Australia	#	-	#	-	Investment
	Flamos Pty Ltd	Australia	#	-	#	-	Non-operative
	Gelaya Pty Ltd	Australia	#	-	#	-	Non-operative
	Haycora Pty Ltd	Australia	#	-	#	-	Non-operative
	Kaysamos Ltd	Australia	#	-	#	-	Investment
	Leamela Pty Ltd	Australia	#	-	#	-	Non-operative
	Leash Nominees Pty Ltd	Australia	#	-	#	-	Nominee
	Maerolla Pty Ltd	Australia	#	-	#	-	Non-operative
	Mainbrook Pty Ltd	Australia	#	-	#	-	Non-operative
	Mainport Pty Ltd	Australia	#	-	#	-	Non-operative
	Mission Pacific Investments Ltd	Australia	#	-	#	-	Nominee
	National Mutual Royal Savings Bank Ltd	Australia	132.1	-	8.4	-	Banking services
*	Newpolar Ltd	England	#	-	#	-	Investment
	NMRB Finance Ltd	Australia	#	-	(0.1)	-	Leasing
	NMRB Insurance (Agents) Pty Ltd	Australia	0.7	-	(0.1)	-	Insurance agent
	NMRB Investments Ltd	Australia	#	-	#	-	Investment
	NMRB Management Services Ltd	Australia	#	-	#	-	Fixed assets manager
	NMRB Travel Services Pty Ltd	Australia	0.1	-	#	-	Investment
	Noreag Pty Ltd	Australia	#	-	#	-	Investment
	Railmark Pty Ltd	Australia	#	-	#	-	Non-operative
	RBC Australia Finance Ltd	Australia	#	-	#	-	Medium term finance
	Rinope Pty Ltd	Australia	#	-	#	-	Lease finance
	Roadlink Pty Ltd	Australia	#	-	#	-	Non-operative
	Royaust Management Ltd	Australia	0.1	-	#	-	Investment
	Royaust Properties Pty Ltd	Australia	#	-	#	-	Investment
	T.C.P. Nominees Pty Ltd	Australia	#	-	#	-	Nominee
	T.C.P. Personnel Pty Ltd	Australia	#	-	#	-	Management services
*	TCP UK Nominees Ltd	England	#	-	#	-	Nominee
*	Adelaide Nominees Ltd	England	#	#	#	#	Nominee services
‡	A.N.Z. Custodians Ltd	Australia	#	#	#	#	Custodian services
‡	A.N.Z. Discounts Ltd	Australia	#	#	#	#	Loan negotiation
‡	A.N.Z. Holdings Ltd	Australia	54.8	54.8	6.6	1.0	Property owner
	A.N.Z. Investments Ltd	Australia	#	#	(0.9)	0.3	Deposit taker
‡	A.N.Z. Nominees Ltd	Australia	#	#	#	#	Nominee services
‡	ANZ Adelaide Group Ltd	Australia	66.1	66.1	5.5	4.6	Property owner
	ANZ Aviation Services Ltd	Australia	3.0	3.0	#	#	Aviation
*	ANZ Bank Canada	Canada	42.9	17.4	(12.0)	(6.2)	Banking
*	ANZ Bank (Guernsey) Ltd	Guernsey	0.6	0.5	1.7	1.4	Banking
*	ANZ Eurofinance BV	Netherlands	#	#	0.2	0.2	Finance
	ANZ Finance (Far East) Ltd	Australia	16.2	16.2	0.8	0.9	Finance
*	ANZ Finance (Jersey) Ltd	Jersey	#	#	#	#	Non-operative
‡	ANZ Leasing Pty Ltd	Australia	#	#	#	#	Leveraged leasing
‡	ANZ Leasing (ACT) Pty Ltd	Australia	#	#	#	#	Leveraged leasing
‡	ANZ Leasing (NSW) Pty Ltd	Australia	#	#	#	#	Leveraged leasing
‡	ANZ Leasing (NT) Pty Ltd	Australia	#	#	#	#	Leveraged leasing
‡	ANZ Leasing (Vic) Pty Ltd	Australia	#	#	#	#	Leveraged leasing
*	ANZ Management Company (Guernsey) Ltd	Guernsey	0.1	0.1	#	#	Fund management
*	ANZ Nominees (Guernsey) Ltd	Guernsey	#	#	#	#	Nominee services
‡	ANZ Pensions Pty Ltd	Australia	#	#	#	#	Staff pension funds trustee
‡	ANZ Pensions (Adelaide) Ltd	Australia	#	#	#	#	Staff pension funds trustee
*	ANZ Pensions (UK) Ltd	England	0.6	0.5	#	#	Staff pension funds trustee
‡	ANZ Staff Superannuation (Australia) Pty Ltd	Australia	#	#	#	#	Staff pension funds trustee
*	ANZ Trust Company (Guernsey) Ltd	Guernsey	#	#	#	#	Trustee
*	ANZ (Delaware) Inc.	USA	#	#	#	#	Finance

	Incorporated in	Contribution to				Nature of Business
		Book value		Group result		
		1990	1989	1990	1989	
		\$M	\$M	\$M	\$M	
31: Subsidiary companies (continued)						
* Australia and New Zealand Banking Group (PNG) Ltd ²	PNG	2.2	2.5	(2.1)	3.7	Banking
* Niugini International Bank Ltd	PNG	1.1	-	#	-	Banking
Dinias Pty Ltd	Australia	#	#	#	#	Property developer
‡ E. S. & A. Holdings Ltd	Australia	22.2	22.2	0.2	#	Property investment
‡ E. S. & A. Nominees (Australia) Pty Ltd	Australia	#	#	#	#	Nominee services
‡ E. S. & A. Properties (Australia) Ltd	Australia	2.3	2.3	#	#	Property owner
* Grindlays Eurofinance BV	Netherlands	0.3	0.3	0.4	0.5	Finance
Japan-Australia Venture Capital Fund (MIC) Ltd ⁷	Australia	2.6	-	(0.1)	-	Investment
+ Melbourne Jet Base Pty Ltd ⁸	Australia	14.0	#	(0.7)	#	Jet facilities
Nepean International Travel Pty Ltd	Australia	0.1	-	#	-	Travel services
‡ Pemarvin Pty Ltd	Australia	0.5	0.5	0.4	#	Property unit trustee
Penplaza Investments Pty Ltd	Australia	#	-	#	-	Property owner
‡ Tannadice Pty Ltd	Australia	#	#	#	#	Property owner
‡ Tirocourt Pty Ltd	Australia	#	#	#	#	Property owner
‡ Yarraga Pty Ltd	Australia	#	#	#	#	Staff pension fund trustee
* Zan Investments Ltd	Singapore	128.9	128.9	0.1	#	Investment
Total contributions to Group result				411.3	720.0	
Adjustment for subsidiaries sold/liquidated				1.2	1.7	
Group operating profit after income tax and before abnormal items				412.5	721.7	

	Consideration \$M	Interest acquired %	Net tangible assets on acquisition \$M
Acquisitions of subsidiaries			
National Mutual Royal Bank Ltd	398.6	100.0	212.7
Nepean International Travel Pty Ltd	#	100.0	#
Niugini International Bank Ltd	6.2	100.0	1.1
Town & Country W.A. Building Society	131.7	100.0 ¹	83.2

* Audited by overseas KPMG firms

+ Audited by firms other than members of KPMG

‡ Debts of these subsidiaries are guaranteed by the Holding Company in terms of National Companies and Securities Commission (NCSC) class orders dated 22 April 1986 and 9 August 1988 relieving wholly owned subsidiaries from compliance with certain sections of the Companies Code relating to the preparation of audited accounts

Amounts less than \$50,000

[^] Company currently in liquidation

¹ Town & Country W.A. Building Society has been treated as a wholly owned subsidiary based on the Group's intention and legal right to acquire compulsorily the interests of minority shareholders

² Australia and New Zealand Banking Group (PNG) Ltd - 83.2%

³ Grindlays Bank International (Kenya) Ltd - 60.0%

⁴ Grindlays Bank (Uganda) Ltd - 51.0%

⁵ Grindlays International Finance (Kenya) Ltd - 60.0%

⁶ Grindlays Nominees (Kenya) Ltd - 60.0%

⁷ Japan-Australia Venture Capital Fund (MIC) Ltd - 78.4%

⁸ Melbourne Jet Base Pty Ltd - 87.5%

⁹ Merry Development Pty Ltd - 99.8%

	Incorporated in	Interest	Book Value		Held by	Nature of business
			1990	1989		
			%	\$M		
ACD Holdings Pty Ltd ¹	Australia	50.0	#	#	Mercantile Credits	Property development
AFT-Woolworths Realty Pty Ltd ¹	Australia	50.0	0.1	0.1	AFT	Real estate manager
Amalgamated Finance Limited ²	New Zealand	50.0	#	#	UDC Group	Finance
Anchorage Port Stephens Pty Ltd ¹	Australia	33.3	1.4	#	Mercantile Credits	Holiday resort
Asian International Merchant Bankers Berhad ³	Malaysia	26.5	3.4	3.1	ANZ Grindlays	
Autofleet Pty Ltd	Australia	27.5	#	#	Industrial Holdings Ltd	Merchant Banking
Cairns Esplanade Corporation Pty Ltd ¹	Australia	50.0	#	-	Esanda	Fleet management
Cardlink Services Ltd	Australia	20.0	0.2	0.2	Delfin Property Group Ltd	Property development
Charge Card Services Ltd	Australia	20.0	0.3	0.3	ANZ Bank	Charge card services
Chartwell Enterprises Ltd ²	Singapore	20.0	#	#	ANZ Bank	Charge card services
Cicero (No. 21) Pty Ltd ¹	Australia	50.0	#	-	Development Finance Corporation	Consulting
Citie Centre Projects Pty Ltd ¹	Australia	50.0	#	#	West Lakes Ltd	Property development
Copeland Mercantile Ventures Pty Ltd ¹	Australia	50.0	#	#	Mercantile Credits	Property development
Dalgety Farmers Ltd	Australia	35.0	36.8	21.2	Mercantile Credits	Property development
Dalgety Rural Finance Ltd*	Australia	25.0	#	-	ANZ Bank	Rural industry broker/agent
Databank Systems Ltd ²	New Zealand	20.0	#	0.1	ANZ Bank	Finance
Development Capital of Australia ¹	Australia	39.6	3.7	3.7	ANZ Bank (NZ)	Computer network
Devine Development Corp Pty Ltd ¹	Australia	50.0	#	0.2	Delfin Holdings	Investment banking
Devine Belmont Estates Pty Ltd ¹	Australia	50.0	#	#	Mercantile Credits	Property development
Durham Developments Pty Ltd ¹	Australia	50.0	#	#	Mercantile Credits	Property development
Edgeworth Projects Pty Ltd ¹	Australia	50.0	#	#	Mercantile Credits	Property development
Erolnot Pty Ltd ¹	Australia	50.0	#	#	Mercantile Credits	Property development
Evacliff Pty Ltd ¹	Australia	33.3	#	#	Mercantile Credits	Property development
Fifty Seven Willis Street Ltd ²	New Zealand	15.4 ⁺	0.8	0.8	ANZ Bank (NZ)	Property owner
Fircora Pty Ltd	Australia	33.0	#	-	Capel Court	Investment
Flick Developments Pty Ltd ¹	Australia	50.0	#	#	Mercantile Credits	Property development
Fonstar Pty Ltd ¹	Australia	50.0	#	#	Mercantile Credits	Property development
General Finance & Securities Ltd	Thailand	25.0	11.8	11.3	ANZ International	Finance
Grindlays Bahrain Bank ³	Bahrain	40.0	7.6	6.5	ANZ Grindlays	Banking
Grindlays 3i Investment Services Ltd ³	Guernsey	50.0	0.1	0.1	ANZ McCaughan	Fund administration
Grindlays Merchant Bank of Nigeria Ltd	Nigeria	40.0	0.5	0.5	ANZ Holdings (UK)	Banking
GTL Capel Court Leasing Pty Ltd	Australia	40.0	#	-	Capel Court Corp.	Investment
GWL Corporation ⁶	Australia	50.0	0.8	-	Town & Country	Financial planning
Hooker Mercantile Pty Ltd ¹	Australia	50.0	#	#	Mercantile Credits	Property development
Hooker Mercantile (Qld) Pty Ltd ¹	Australia	50.0	#	#	Mercantile Credits	Property development
Ivyville Pty Ltd ¹	Australia	50.0	#	-	Delfin Property Group Ltd	Trustee
Jarview Pty Ltd ¹	Australia	50.0	#	#	Mercantile Credits	Property development
Keystart Bonds Ltd ⁶	Australia	33.3	#	-	Town & Country	Bond issuer
Keystart Loans Ltd ⁶	Australia	33.3	#	-	Town & Country	Trust company
Kilmuir Pty Ltd ¹	Australia	25.0	#	#	Mercantile Credits	Property development
Lease Plan Australia Pty Ltd	Australia	25.0	0.6	-	NMRB Investments	Leasing
Liberty Real Estate Pty Ltd ¹	Australia	33.3	#	#	Mercantile Credits	Property development
Merchant Bank (Ghana) Ltd ³	Ghana	30.0	0.2	0.1	ANZ Grindlays	
Mimosa Developments Pty Ltd ¹	Australia	50.0	#	#	Industrial Holdings	Banking
Nabiac Farm Pty Ltd ¹	Australia	30.0	0.1	0.1	Mercantile Credits	Property development
Nepal Grindlays Bank Ltd ⁴	Nepal	50.0	1.2	0.8	Delfin Management Services	Rural property owner/farmer
New Zealand Bankcard Associates Ltd	New Zealand	50.0	#	#	ANZ Grindlays	Banking
Ocean Blue Club Resorts Pty Ltd	Australia	50.0	#	#	ANZ Bank (NZ)	Charge card services
Overland Agencies Pty Ltd ⁵	Australia	50.0	#	#	Mercantile Credits	
Property & Finance Partnership ²	England	50.0	0.1	0.1	Development Finance Corporation	Holiday resort
Quotraint (No. 13) Pty Ltd ¹	Australia	50.0	#	-	ANZ McCaughan UK	Investment banking
Renishaw Pty Ltd ¹	Australia	50.0	#	#	Delfin Management Services	Joint venture
Salamander Projects Pty Ltd ¹	Australia	50.0	0.1	0.1	Mercantile Credits	Project management
Salamander Sales Pty Ltd ¹	Australia	50.0	#	#	Mercantile Credits	Property development
Seabare Pty Ltd ¹	Australia	25.0	#	#	Mercantile Credits	Property development
South Pacific Investment Corp Ltd ¹	Australia	20.0	0.1	0.5	Mercantile Credits	Furniture retailer
Strathford Pty Ltd ¹	Australia	50.0	#	#	Delfin Holdings	Investment banking
Television Australia-Satellite Systems Ltd ¹	Australia	21.2	#	#	Mercantile Credits	Property development
Topgard Pty Ltd ⁶	Australia	33.3	#	-	Delfin Holdings	Satellite television
Torin Australia Ltd	Australia	25.0	0.3	-	Town & Country	Mortgage securities
Tovepool Pty Ltd	Australia	50.0	#	-	Noreag Pty Ltd	Manufacturing
					Mercantile Credits	Real estate development

	Incorporated in	Interest	Book Value		Held by	Nature of business
			1990	1989		
			%	\$M		

32: Associated companies (continued)

Town & Country Housing Bonds ⁵	Australia	33.3	#	-	Town & Country	Mortgage securities
Transatlantic Capital Ltd ²	England	50.0	#	#	ANZ McCaughan UK	Investment
Trefold Pty Ltd ¹	Australia	50.0	#	#	Mercantile Credits	Entertainment
Truck Leasing Ltd ¹	New Zealand	33.0	0.2	-	UDC Finance Ltd	Leasing
Valuta Group Pty Ltd	Australia	33.0	#	-	Capel Court	Investment
Wellington Square Pty Ltd ¹	Australia	50.0	#	#	Mercantile Credits	Property development
Westland Management Ltd ⁶	Australia	20.0	1.5	-	Town & Country	Property management
Wetsum Pty Ltd ⁶	Australia	33.3	#	-	Town & Country	Mortgage securities
			71.9	49.8		
Associated companies disposed during the year			-	0.3		
Total shares in associated companies			71.9	50.1		

Amounts less than \$50,000

¹ year ended 30 June² year ended 31 March³ year ended 31 December⁴ year ended 31 July⁵ year ended 31 January⁶ year ended 30 April

* At 30 September 1990, the Group had 2 options at a cost of \$110 each to buy 50% of the issued shares for a nominal sum

+ The group holds 27% of voting rights

33: Superannuation commitments

A total of 72 pension/superannuation schemes have been established in the Group worldwide. The major schemes with assets in excess of \$20m are

Country	Scheme	Contribution levels		Date of last actuarial valuation	Actuary
		Employee	Employee		
Australia	ANZGROUP (Australia) Staff Pension Scheme	5.5%	Balance of cost	Dec 1987	C.J.White, Towers Perrin Forster & Crosby
Australia	ANZ Australian Staff Superannuation Scheme	2.5% minimum	Balance of cost ¹	Dec 1988	C.J.White, Towers Perrin Forster & Crosby
Australia	National Mutual Royal Bank Executives Superannuation Scheme	nil	Balance of cost	Apr 1990	National Mutual Life Assurance Ltd
New Zealand	ANZGROUP (New Zealand) Staff Pension Scheme	2.5% minimum	Balance of cost ²	Dec 1988	Mercers - New Zealand
England	ANZ McCaughan (UK) Ltd Staff Pension Scheme	nil	Balance of cost	Dec. 1987	R. Watson & Sons
England	ANZ UK Staff Pension Scheme	nil	Balance of cost	Dec 1987	R.Watson & Sons

¹ with a maximum of 7% of superannuation salaries, plus death and disablement premiums² with a maximum of 7.5% of superannuation salaries

Notes

- Of the above schemes, ANZ GROUP (Australia) Staff Pension Scheme, ANZ UK Staff Pension Scheme and ANZ McCaughan (UK) Ltd Staff Pension Scheme provide for pension benefits. The remaining schemes provide for lump sum benefits.
- The liabilities of all superannuation schemes are covered by the assets in the schemes or by specific provisions created in the Group.
- The Group is obliged to contribute to the schemes as a consequence of legislation or provision of trust deeds. Legal enforceability is dependent on the terms of the legislation or trust deeds.
- Balance of cost - the Group's contribution is assessed by the actuary after taking account of members' contributions and the value of the schemes' assets.

	Consolidated		Holding Company	
	1990	1989	1990	1989
	\$M	\$M	\$M	\$M
34: Commitments				
Capital expenditure				
Contracts for outstanding capital expenditure not provided for in these accounts				
Not later than 1 year	325.6	129.2	23.1	46.3
Later than 1 year but not later than 2 years	70.0	27.6	13.2	-
Later than 2 years but not later than 5 years	88.5	1.1	-	-
Later than 5 years	-	-	-	-
Total capital expenditure commitments	484.1	157.9	36.3	46.3
Lease rentals				
Future rentals in respect of operating leases not provided for in these accounts				
Land and buildings				
Not later than 1 year	116.4	57.5	55.3	29.5
Later than 1 year but not later than 2 years	104.3	77.0	48.5	50.4
Later than 2 years but not later than 5 years	228.3	185.0	102.4	124.6
Later than 5 years	1,023.9	1,013.3	922.1	920.3
	1,472.9	1,332.8	1,128.3	1,124.8
Furniture and equipment				
Not later than 1 year	30.8	7.2	15.6	4.9
Later than 1 year but not later than 2 years	20.7	5.0	11.7	3.0
Later than 2 years but not later than 5 years	24.0	4.5	6.9	3.3
Later than 5 years	-	0.1	-	0.1
	75.5	16.8	34.2	11.3
Total lease rental commitments	1,548.4	1,349.6	1,162.5	1,136.1
Total commitments	2,032.5	1,507.5	1,198.8	1,182.4

35: Contingent liabilities and off-balance sheet transactions

Contingent liabilities				
Commercial bills endorsed	76.8	253.5	32.2	158.2
Liabilities under letters of credit	2,373.0	2,184.1	1,678.9	1,561.7
Guarantees, warranties and indemnities	6,115.1	6,598.1	2,667.4	3,230.1
Other	184.2	314.8	639.1	76.0
Total contingent liabilities	8,749.1	9,350.5	5,017.6	5,026.0

The Holding Company has:

- i) guaranteed depositors' balances with Australia and New Zealand Savings Bank Limited;
- ii) guaranteed payment of certificates of deposit, bearer deposit notes and bankers' acceptances issued by ANZ Bank Canada;
- iii) guaranteed payment on maturity of the principal and accrued interest of commercial paper notes issued by ANZ (Delaware) Inc;
- iv) guaranteed the debts of certain Australian wholly-owned subsidiaries specified in Note 31 in terms of National Companies and Securities Commission (NCSC) class orders dated 22 April 1986 and 9 August 1988 relieving wholly owned subsidiaries from compliance with certain sections of the Companies Code relating to accounts; and
- v) a contingent tax liability in respect of amounts received for share options issued during 1987 and credited to the capital reserve should the option holder decide not to exercise the option by the due date of 5 August 1992; and
- vi) indemnified the Government of New Zealand against costs, liabilities or claims for which the government may become liable by virtue of its guarantee of the Bonus Bonds Scheme.

ANZ Banking Group (New Zealand) Ltd has:

- i) guaranteed depositors' balances with ANZ Savings Bank (New Zealand) Limited; and
- ii) guaranteed the liabilities of Post Office Bank to 30 June 1992.

Litigation

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

Off-balance sheet transactions

The Group is an active market participant in off-balance sheet financial instruments, principally forward exchange contracts, interest rate and currency swaps, forward rate agreements, financial futures and options traded in the financial markets throughout the world.

These instruments are used by the Group to

- i) facilitate prudent and strategic management of the interest rate and currency risks inherent in the Group's banking activities;
- ii) provide financial services as an intermediary to enable customers to modify, transfer or reduce their interest rate or foreign exchange risks; and
- iii) enable arbitrage between the various financial markets of profitable trading opportunities.

Management of these instruments is integrated into the Group's prudential risk practices. In particular, assessment of any credit risk is included in the evaluation of the exposure of the Group to customers.

Adequate provision has been made for unrealised losses and it is not envisaged that any irrecoverable liability will arise from the settlement of these types of transactions.

36: Assets and liabilities of non-banking corporations

In line with normal banking practice the consolidated balance sheet does not distinguish between current and non-current assets and liabilities. The following assets and liabilities of non-prescribed subsidiaries within the Group are included in the consolidated accounts

	1990	1989	1990	1989
	\$M	\$M	\$M	\$M
Current assets				
Cash	62.3	139.3		
Receivables	5,447.0	3,975.2		
Investments	44.5	230.9		
Other current assets	529.0	693.2		
	6,082.8	5,038.6		
Non-current assets				
Receivables	5,256.3	4,649.8		
Investments	258.4	232.8		
Property, plant and equipment	231.9	181.5		
Other non-current assets	504.5	192.2		
	6,251.1	5,256.3		
Total assets	12,333.9	10,294.9		
Current liabilities				
Creditors and borrowings			7,318.3	4,854.3
Provisions			129.9	199.4
Other current liabilities			178.2	506.6
			7,626.4	5,560.3
Non-current liabilities				
Creditors and borrowings			3,410.2	3,769.4
Provisions			249.3	125.6
Other non-current liabilities			0.5	-
			3,660.0	3,895.0
Total liabilities			11,286.4	9,455.3
Net assets			1,047.5	839.6

	1990	1990	1989	1989
	Available	Unused	Available	Unused
	\$M	\$M	\$M	\$M

37: Financing arrangements

This note details financing arrangements of subsidiary borrowing corporations and subsidiaries registered under the Financial Corporations Act (Australia) 1974

Financing arrangements which are available to such subsidiary companies (under normal financing arrangements)

Credit standby arrangements				
Commercial bills acceptance discount lines	100.0	100.0	281.9	223.9
Other financing arrangements				
Overdrafts	10.0	10.0	9.4	9.4
Commercial bill endorsement facilities	117.2	54.0	255.7	99.0
Total finance made available to subsidiary borrowing corporations	227.2	164.0	547.0	332.3

Financing arrangements which have been made available by such subsidiary companies (contractually arranged for each client)

Loan rollover facilities				
Commercial bill facilities	65.5	9.8	7.8	7.8
Other financing arrangements				
Loan and lease facilities	979.1	975.3	822.9	789.9
Total finance made available by subsidiary borrowing corporations	1,044.6	985.1	830.7	797.7

38: Related party disclosures

The directors for the year were:

M.D. Bridgland	W. J. Holcroft
W.J. Bailey	Professor Dame Leonie Kramer
Sir Roderick Carnegie (resigned 14 May 1990)	Sir Laurence Muir
J.C. Dahlsen	R.A.D. Nicolson
D.C.L. Gibbs	L. M. Papps (retired 15 October 1989)
R.K. Gosper	B. W. Scott
J.B. Gough	Sir Ronald Trotter
C.J. Harper	R. B. Vaughan

During the year there have been transactions between the Holding Company and its subsidiaries and related entities. Loans and deposits are disclosed in the balance sheet. Interest received and paid are disclosed in notes 2 and 3. Management fees of \$406.6 million were received and \$22.1 million paid to subsidiaries for the provision of accounting and administrative assistance based on the resources provided. Rents of \$29.0 million were paid to subsidiaries for accommodation provided.

Loans made to Directors of the Holding company and the Group are made in the ordinary course of business on normal commercial terms and conditions. Loans to Executive Directors of Group companies are made on the same terms and conditions applicable to other employees within the Group, in accordance with established policy.

A National Companies and Securities Commission class order grants banking corporations relief from the requirements of Schedule 7 of the Companies Regulations and Approved Accounting Standard ASRB 1017 in relation to the disclosure of loans to directors. This class order specifies the required disclosure as the aggregate amount of loans made or guaranteed by

- i) the Holding Company to its directors;
- ii) banking corporation subsidiaries to their directors; and
- iii) by non-banking corporation subsidiaries to directors of such subsidiaries and to parties related to them.

The aggregate amount of such loans outstanding at 30 September 1990 was \$9.5 million.

39: Remuneration of auditors

	Consolidated		Holding Company	
	1990	1989	1990	1989
	\$M	\$M	\$M	\$M
Amounts received, or due and receivable for				
Auditing the accounts or Group accounts				
By auditors of the Holding Company	4.4	3.9	1.3	1.0
By other auditors	1.1	0.7	-	-
	5.5	4.6	1.3	1.0
Other services				
By auditors of the Holding Company	1.5	1.5	0.8	0.6
By other auditors	1.7	2.1	0.1	0.3
Total remuneration of auditors	8.7	8.2	2.2	1.9

The auditors did not receive any other benefits

A National Companies and Securities Commission (NCSC) class order was issued on 27 March 1990 relieving the auditors of the Holding Company from compliance with section 277 of the Companies Code for the period from 1 April 1990 to 31 March 1991.

The class order applies to the Holding Company and any corporations related to the Holding Company and relates to the indebtedness (occasioned by the merger of KPMG Peat Marwick and Touche Ross & Co.) of the auditors of the Holding Company prior to 1 April 1990. It requires such indebtedness to be on normal commercial terms and conditions throughout the period of the class order.

40: Remuneration of directors

Remuneration includes salaries, bonuses and other benefits.

The number of directors of the Holding Company whose total remuneration received or due and receivable was within each of the following bands

	Holding Company			Holding Company		
	1990	1989		1990	1989	
\$1 to \$10,000	1	–	\$70,001 to \$80,000	–	1	
\$20,001 to \$30,000	1	3	\$90,001 to \$100,000	1	–	
\$30,001 to \$40,000	6	5	\$430,001 to \$440,000	–	1	
\$40,001 to \$50,000	4	3	\$500,001 to \$510,000	1	–	
\$50,001 to \$60,000	1	1	\$620,001 to \$630,000	–	1	
\$60,001 to \$70,000	–	2	\$690,001 to \$700,000	1	–	
Total number of directors				16	17	
Total remuneration received or due and receivable by the directors of all Group corporations including the total remuneration of executive directors, excluding executive directors of subsidiaries who are executives of the Holding Company but including executive directors of the Holding Company (\$M)			Consolidated		Holding Company	
			1990	1989	1990	1989
			20.7	23.3	1.8	1.7

41: Retirement benefits

Amounts paid in conjunction with the retirement and superannuation contributions of persons from the office of director and principal executive officer of group companies (\$M)

		Consolidated		Holding Company	
		1990	1989	1990	1989
		3.9	2.8	0.3	0.1

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

42: Remuneration of executives

Remuneration includes salaries, bonuses and other benefits, excluding superannuation contributions.

No profit share payments have been made or will be made in respect of the Group's performance during the 1990 year. However, executives' remuneration shown below does include performance related payments for 1989 and deferred payments in respect of earlier years.

The number of executives whose total remuneration received or due and receivable within each of the following bands was

	Consolidated		Holding Company			Consolidated		Holding Company		
	1990	1989	1990	1989		1990	1989	1990	1989	
\$85,001 to \$95,000	9	7	–	–	\$255,001 to \$265,000	2	1	2	1	
\$95,001 to \$105,000	9	14	–	–	\$265,001 to \$275,000	4	–	2	–	
\$105,001 to \$115,000	11	9	–	–	\$275,001 to \$285,000	1	2	–	2	
\$115,001 to \$125,000	9	8	–	–	\$285,001 to \$295,000	1	–	–	–	
\$125,001 to \$135,000	6	7	–	–	\$295,001 to \$305,000	–	1	–	–	
\$135,001 to \$145,000	10	13	–	1	\$305,001 to \$315,000	3	–	–	–	
\$145,001 to \$155,000	3	10	1	–	\$315,001 to \$325,000	1	2	1	1	
\$155,001 to \$165,000	9	6	2	1	\$335,001 to \$345,000	–	2	–	1	
\$165,001 to \$175,000	6	3	1	2	\$345,001 to \$355,000	–	2	–	–	
\$175,001 to \$185,000	6	7	2	5	\$385,001 to \$395,000	–	1	–	–	
\$185,001 to \$195,000	6	3	3	2	\$395,001 to \$405,000	–	2	–	1	
\$195,001 to \$205,000	1	5	1	3	\$415,001 to \$425,000	–	1	–	–	
\$205,001 to \$215,000	3	2	2	1	\$445,001 to \$455,000	–	1	–	–	
\$215,001 to \$225,000	3	3	2	3	\$455,001 to \$465,000	–	1	–	–	
\$225,001 to \$235,000	3	2	2	2	\$485,001 to \$495,000	–	1	–	–	
\$235,001 to \$245,000	3	3	2	1	\$495,001 to \$505,000	1	–	1	–	
\$245,001 to \$255,000	3	3	2	2	\$565,001 to \$575,000	–	1	–	1	
					\$695,001 to \$705,000	1	–	1	–	
Total number of executives						114	123	27	30	
Total remuneration received or due and receivable (\$M)					19.6		22.2		6.6	
									7.0	

DIRECTORS' REPORT

Statement by the directors

In the opinion of the directors of Australia and New Zealand Banking Group Limited the accompanying accounts of the Company and its subsidiaries are properly drawn up in accordance with the provisions of the Companies (Victoria) Code in the manner authorised for a prescribed corporation being a banking corporation and on this basis

- (i) the accompanying profit and loss statements are drawn up so as to give a true and fair view of the profit of the Company and its subsidiaries for the year ended 30 September 1990;
- (ii) the accompanying balance sheets are drawn up so as to give a true and fair view of the state of affairs of the Company and its subsidiaries as at 30 September 1990; and
- (iii) are in accordance with applicable Approved Accounting Standards and with Australian Accounting Standards apart from the departures referred to in note 1 in respect of banking corporations for the reasons stated therein.

It is also the opinion of the directors that at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due and be able to meet any obligations or liabilities that may arise from any guarantees or undertakings given to certain subsidiaries specified in note 31 in terms of National Companies and Securities Commission class orders dated 22 April 1986 and 9 August 1988.

Dated at Melbourne this 7th day of December 1990.

Signed in accordance with a resolution of the directors,



M.D. Bridgland Chairman



W.J. Bailey Deputy Chairman and Group Chief Executive

AUDITORS' REPORT

To the members of Australia and New Zealand Banking Group Limited

We have audited the accounts set out on pages 6 to 37 in accordance with Australian Auditing Standards.

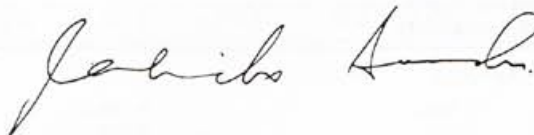
In our opinion the accounts are properly drawn up in accordance with the provisions of the Companies (Victoria) Code in the manner authorised for a prescribed corporation being a banking corporation, and on this basis:

- (i) give a true and fair view of the state of affairs of the Company and of the Group as at 30 September 1990 and the profit of the Company and the Group for the year ended on that date so far as they concern members of the Company and the other matters required by Section 269 of that Code to be dealt with in the accounts and in Group accounts; and
- (ii) are in accordance with applicable Approved Accounting Standards and with Australian Accounting Standards apart from the departures referred to in note 1 in respect of banking corporations with which we agree for the reasons therein stated.

The names of the subsidiaries of which we have not acted as auditors are identified in note 31. We have examined their accounts and the auditors' reports thereon.



KPMG Peat Marwick
Chartered Accountants



P.M. Burroughs Partner
Melbourne
7 December 1990

FINANCIAL INFORMATION

1: Capital adequacy

In August 1988 the Reserve Bank of Australia (RBA) introduced a risk-based capital assessment framework for Australian banks based on internationally accepted capital measurement standards designed to enhance competitive equality, comparability and stability in the international banking system. This risk-based approach requires total risk weighted assets to be related to eligible capital with the resulting capital adequacy ratio being used as a measure of credit exposure.

Capital is divided into tier 1, or 'core' capital, and tier 2, or 'supplementary' capital. Under RBA guidelines, banks must maintain a ratio of qualifying capital to risk weighted assets of at least 8 percent, with tier 2 capital ineligible beyond the level of tier 1 capital. From June 1990, investments in non-consolidated subsidiaries must be deducted from total capital.

Risk weightings are applied to balance sheet assets and to credit converted off-balance sheet exposures to determine total risk weighted assets. The five categories of risk-weights (0, 10, 20, 50 and 100 percent) are determined according to the nature of the counterparty and the relative liquidity of the assets concerned. Off-balance sheet items are converted into balance sheet equivalents using appropriate credit conversion factors, before being risk-weighted according to the counterparty.

The components of the Group's qualifying capital, risk-weighted on-balance sheet assets and off-balance sheet exposures and corresponding capital ratios as at September 1989 and 1990 are presented below.

Qualifying capital	1990 \$M	1989 \$M	1990 \$M	1989 \$M	1990 \$M	1989 \$M
Tier 1						
Total shareholders' funds and minorities less: asset revaluation reserve					4,322.7	4,009.2
					163.3	99.3
Total tier 1 capital					4,159.4	3,909.9
Tier 2						
Asset revaluation reserve – booked – unbooked					163.3	99.3
					424.6	535.4
Perpetual notes – subordinated					545.4	579.4
General provision for doubtful debts					575.6	708.9
Subordinated notes					1,288.2 ^{1,2}	630.8 ¹
Total tier 2 capital					2,997.1	2,553.8
Deductions					65.1	–
Total qualifying capital					7,091.4	6,463.7
On balance sheet assets			Assets		Risk-adjusted assets	
Liquid assets			2,603.6	3,116.8	894.6	1,357.2
Due from other banks			12,660.9	8,998.4	2,804.6	1,842.9
Trading securities			2,124.1	1,813.0	1,612.1	1,350.6
Investment securities			6,311.9	7,148.9	1,893.1	2,263.6
Regulatory deposits			900.4	1,064.9	3.1	37.2
Net loans and advances			52,164.0	43,648.3	45,213.0	39,176.6
Customers' liabilities for acceptances			16,518.0	14,477.6	16,288.3	14,684.1
Shares in associated companies			71.9	50.1	71.9	50.1
Other assets			3,713.0	2,820.6	2,640.1	2,385.6
Premises and equipment			1,673.8	1,485.6	2,098.4 ³	2,021.0 ³
			98,741.6	84,624.2	73,519.2	65,168.9
Off-balance sheet exposures			Contract/ notional amount	Credit equivalent amount		
Direct credit substitutes			3,317.7	3,193.1	2,761.4	3,117.9
Trade and performance related items			5,431.4	6,157.4	2,184.4	2,994.8
Commitments			18,060.3	17,457.9	1,924.1	1,891.9
Foreign exchange, interest rate and other market related transactions			290,052.7	267,319.9	1,663.6	1,049.1
Total risk-adjusted assets and off-balance sheet exposures					82,052.7	74,222.6
Risk adjusted capital ratios					%	%
Tier 1					5.1	5.3
Tier 2					3.6	3.4
Deductions					(0.1)	–
Total					8.6	8.7

¹ Subordinated note issues are amortised at 20% p.a. of the original amount during the last 5 years to maturity

² Subsequent to balance date, USD 270million of eligible subordinated debt has been issued which would increase the total capital ratio to 9.0% based on qualifying capital, risk adjusted assets and off-balance sheet exposures at 30 September 1990

³ For capital adequacy purposes it is necessary to add back the unbooked asset revaluation reserve. This has been included in the risk-weighted amount of premises and equipment

2: Average balance sheet and related interest

The following tables set out the major categories of interest earning assets and interest bearing liabilities, together with their respective interest rates earned or paid by the Group. Averages are predominantly daily averages. Interest income figures are presented on a 'tax-equivalent' basis. Unproductive loans are included under the interest earning asset category 'loans, advances and bills discounted'. Amounts classified as 'overseas' represent interest earning assets and interest bearing liabilities of the Group's non-Australian banking offices and subsidiaries.

Years ended 30 September

	1990			1989			1988		
	Average balance \$M	Interest \$M	Average rate %	Average balance \$M	Interest \$M	Average rate %	Average balance \$M	Interest \$M	Average rate %
Interest earning assets									
Due from other banks									
Australia	762.6	87.5	11.5	452.6	44.8	9.9	605.6	60.7	10.0
Overseas	10,664.2	1,238.7	11.6	8,037.2	922.3	11.5	7,131.9	706.7	9.9
Regulatory deposit with Reserve Bank of Australia	631.3	68.4	10.8	775.6	38.9	5.0	831.8	41.6	5.0
Investments in public securities									
Australia	4,819.8	679.1	14.1	5,056.1	765.0	15.1	6,394.1	708.5	11.1
Overseas	3,649.1	425.7	11.7	3,805.8	411.7	10.8	3,700.2	423.7	11.4
Loans, advances and bills discounted									
Australia	34,464.9	5,743.8	16.7	26,728.6	4,491.9	16.8	21,888.0	3,398.0	15.5
Overseas	15,076.5	1,866.4	12.4	14,446.2	1,806.0	12.5	14,169.5	1,629.2	11.5
Other interest earning assets	1,029.0	121.1	11.8	874.9	115.5	13.2	339.1	44.3	13.1
Total interest earning assets	71,097.4	10,230.7	14.4	60,177.0	8,596.1	14.3	55,060.2	7,012.7	12.7
Non-interest earning assets									
Bill acceptances									
Australia	14,763.1			14,450.0			12,656.3		
Overseas	1,844.7			1,509.4			2,111.7		
Premises and equipment	1,578.2			1,457.4			1,465.2		
Other assets	4,221.2			2,803.5			3,469.1		
Provision for doubtful debts	(1,555.7)			(1,048.7)			(955.1)		
Total assets	91,948.9			79,348.6			73,807.4		
% of total average assets attributable to overseas	37.4%			38.7%			39.4%		
Interest bearing liabilities									
Time deposits									
Australia	14,605.2	2,281.4	15.6	12,517.3	1,970.8	15.7	10,279.1	1,345.4	13.1
Overseas	10,068.2	1,119.6	11.1	8,201.9	927.5	11.3	7,504.0	815.1	10.9
Savings deposits									
Australia	6,186.5	639.0	10.3	5,074.0	518.6	10.2	5,124.0	429.9	8.4
Overseas	2,188.6	106.7	4.9	2,324.9	113.7	4.9	126.4	7.2	5.7
Other demand deposits									
Australia	2,359.9	306.9	13.0	900.5	81.1	9.0	926.2	58.2	6.3
Overseas	2,275.4	220.9	9.7	2,238.7	250.8	11.2	3,162.4	308.4	9.8
Due to other banks									
Australia	257.6	35.5	13.8	844.3	75.7	9.0	1,223.4	70.8	5.8
Overseas	8,311.5	1,050.7	12.6	6,474.9	782.3	12.1	7,452.8	707.2	9.5
Short term borrowings									
Australia	5,838.2	887.4	15.2	3,776.6	504.4	13.4	3,628.8	462.8	12.8
Overseas	1,961.4	196.4	10.0	2,192.6	252.9	11.5	2,319.6	217.5	9.4
Long term borrowings									
Australia	5,058.0	629.4	12.4	4,113.7	547.3	13.3	2,445.7	289.2	11.8
Overseas	926.2	93.3	10.1	922.6	85.8	9.3	800.0	89.4	11.2
Other liabilities	984.7	146.2	14.8	760.1	109.6	14.4	1,579.3	79.8	5.1
Total interest bearing liabilities	61,021.4	7,713.4	12.6	50,342.1	6,220.5	12.4	46,571.7	4,880.9	10.5
Non-interest bearing liabilities									
Deposits									
Australia	3,600.8			3,482.2			3,448.2		
Overseas	1,558.8			1,603.9			1,924.9		
Liability for acceptances									
Australia	14,763.1			14,450.0			12,656.3		
Overseas	1,844.7			1,509.4			2,111.7		
Other liabilities	5,017.2			3,780.0			3,758.2		
Total liabilities	87,806.0			75,167.6			70,471.0		
Shareholders' funds	4,142.9			4,181.0			3,336.4		
Total liabilities and shareholders' funds	91,948.9			79,348.6			73,807.4		
% of total average liabilities attributable to overseas	36.9%			37.1%			38.9%		

3: Interest spread and net interest average yield

	1990	1989	1988
	%	%	%
Interest spread¹			
Australia	2.3	2.4	3.3
Overseas	1.1	1.5	1.0
Total Group	1.8	1.9	2.2
Net interest average yield²			
Australia	4.2	4.6	5.0
Overseas	2.7	3.1	2.5
Total Group	3.5	3.9	3.9

¹ The interest spread represents the difference between the average interest rate received on interest earning assets and the average interest rate paid on interest bearing liabilities

² The net interest average yield represents net interest income as a percentage of average interest earning assets

4: Volume and rate analysis

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

Years ended 30 September	1990 over 1989			1989 over 1988		
	Volume \$M	Rate \$M	Total \$M	Volume \$M	Rate \$M	Total \$M
Interest earning assets						
Due from other banks						
Australia	34.6	8.1	42.7	(15.2)	(0.7)	(15.9)
Overseas	305.0	11.4	316.4	96.0	119.6	215.6
Regulatory deposit with Reserve Bank of Australia	(8.4)	37.9	29.5	(2.7)	-	(2.7)
Investments in public securities						
Australia	(34.8)	(51.1)	(85.9)	(168.0)	224.5	56.5
Overseas	(17.4)	31.4	14.0	11.8	(23.8)	(12.0)
Loans, advances and bills discounted						
Australia	1,289.6	(37.7)	1,251.9	796.6	297.3	1,093.9
Overseas	78.2	(17.8)	60.4	32.3	144.5	176.8
Other assets	19.0	(13.4)	5.6	70.7	0.5	71.2
Total interest earning assets	1,665.8	(31.2)	1,634.6	821.5	761.9	1,583.4
Interest bearing liabilities						
Time deposits						
Australia	326.3	(15.7)	310.6	323.7	301.7	625.4
Overseas	207.8	(15.7)	192.1	78.0	34.4	112.4
Savings deposits						
Australia	114.9	5.5	120.4	(4.2)	92.9	88.7
Overseas	(6.6)	(0.4)	(7.0)	107.7	(1.2)	106.5
Other demand deposits						
Australia	177.2	48.6	225.8	(1.7)	24.6	22.9
Overseas	4.1	(34.0)	(29.9)	(99.0)	41.4	(57.6)
Due to other banks						
Australia	(68.5)	28.3	(40.2)	(26.3)	31.2	4.9
Overseas	230.7	37.7	268.4	(101.0)	176.1	75.1
Short term borrowings						
Australia	305.7	77.3	383.0	19.3	22.3	41.6
Overseas	(25.1)	(31.4)	(56.5)	(12.4)	47.8	35.4
Long term borrowings						
Australia	119.3	(37.2)	82.1	218.1	40.0	258.1
Overseas	0.3	7.2	7.5	12.6	(16.2)	(3.6)
Other liabilities	33.3	3.3	36.6	(58.2)	88.0	29.8
Total interest bearing liabilities	1,419.4	73.5	1,492.9	456.6	883.0	1,339.6
Change in net interest income	246.4	(104.7)	141.7	364.9	(121.1)	243.8

5: Investment securities

At 30 September

At book value	1990 \$M	1989 \$M	1988 \$M
Australia			
Treasury notes	761.9	1,195.1	1,987.8
Commonwealth securities	1,896.1	2,330.9	2,188.7
Semi and local government securities	489.1	282.3	160.6
Other securities	918.9	551.1	255.4
	4,066.0	4,359.4	4,592.5
Overseas			
New Zealand government securities	732.7	1,313.0	558.4
US treasury and government securities	33.8	30.9	133.5
Indian government securities	531.0	447.4	482.7
Other government securities	215.2	225.4	181.6
Other securities	733.2	772.8	565.3
	2,245.9	2,789.5	1,921.5
Total investment securities at book value	6,311.9	7,148.9	6,514.0
At market value			
Australia			
Treasury notes	757.2	1,194.8	1,987.8
Commonwealth securities	1,894.1	2,247.3	2,184.4
Semi and local government securities	482.9	268.0	160.7
Other securities	819.8	553.4	224.9
	3,954.0	4,263.5	4,557.8
Overseas			
New Zealand government securities	730.7	1,317.6	563.3
US treasury and government securities	33.1	30.5	134.3
Indian government securities	530.4	450.3	487.9
Other government securities	209.6	214.3	187.6
Other securities	725.8	767.8	564.5
	2,229.6	2,780.5	1,937.6
Total investment securities at market value	6,183.6	7,044.0	6,495.4

6: Investment securities by maturities and yields

Based on remaining term to maturity

At 30 September 1990

At book value	Due in 1 year or less \$M	Due between 1 year and 5 years \$M	Due between 5 years and 10 years \$M	Due after 10 years \$M	Total \$M
Australia					
Treasury notes	761.9	—	—	—	761.9
Commonwealth securities	1,250.8	538.6	106.7	—	1,896.1
Semi and local government securities	447.8	41.3	—	—	489.1
Other securities	149.9	106.6	31.9	630.5	918.9
	2,610.4	686.5	138.6	630.5	4,066.0
Overseas					
New Zealand government securities	375.9	356.7	—	0.1	732.7
US treasury and government securities	33.8	—	—	—	33.8
Indian government securities	22.3	182.8	131.4	194.5	531.0
Other government securities	104.8	53.2	33.8	23.4	215.2
Other securities	240.2	357.6	124.0	11.4	733.2
	777.0	950.3	289.2	229.4	2,245.9
Total investment securities	3,387.4	1,636.8	427.8	859.9	6,311.9
Weighted average yields					
	%	%	%	%	
Australia					
Treasury notes	13.9	—	—	—	
Commonwealth securities	12.9	12.8	11.1	—	
Semi and local government securities	13.8	12.8	—	—	
Other securities	12.3	13.9	11.6	6.3	
Overseas					
New Zealand government securities	14.5	12.6	—	12.0	
US treasury and government securities	7.4	—	—	—	
Indian government securities	6.9	9.0	9.4	10.8	
Other government securities	10.5	8.2	8.4	8.7	
Other securities	8.9	10.8	9.9	7.8	

7: Group loans and advances by industry category

At 30 September	1990 \$M	1989 \$M	1988 \$M	1987 \$M	1986 \$M
Australia					
Agriculture, forestry, fishing and mining	2,271.3	2,181.6	1,747.6	1,584.3	1,591.2
Financial, investment and insurance	5,734.4	3,401.9	3,697.3	2,160.1	1,561.9
Real estate - construction	1,986.0	1,248.1	627.3	347.1	817.7
Real estate - mortgage	9,134.9	6,483.5	4,573.5	3,800.4	2,869.8
Instalment loans - individuals	5,845.2	6,055.4	4,896.8	5,955.4	6,304.6
Lease finance	4,349.3	3,973.8	3,406.5	2,740.5	2,564.3
Other commercial and industrial	12,008.4	9,784.3	6,945.4	6,108.6	5,083.6
Government and official institutions	351.3	239.1	166.1	259.9	4.3
	41,680.8	33,367.7	26,060.5	22,956.3	20,797.4
Overseas					
Government and official institutions	921.6	670.0	714.9	1,381.4	1,654.4
Banks and financial institutions	1,526.9	1,387.2	1,545.6	546.7	734.0
Commercial and industrial	7,508.0	7,431.0	7,973.1	9,253.5	8,664.8
Other loans	5,042.8	4,520.4	2,352.9	1,611.3	1,269.6
	14,999.3	14,008.6	12,586.5	12,792.9	12,322.8
Gross loans and advances	56,680.1	47,376.3	38,647.0	35,749.2	33,120.2
less: provisions for doubtful debts	1,715.0	1,287.2	948.2	929.7	817.2
income yet to mature	2,801.1	2,440.8	1,814.3	1,768.8	1,642.3
Net loans and advances	52,164.0	43,648.3	35,884.5	33,050.7	30,660.7

* As at 30 September 1990 the Group was not exposed to any significant loan concentrations other than those disclosed above

8: Maturity distribution and interest rate sensitivity of loans

Based on remaining term to maturity

At 30 September 1990

	Due in 1 year or less \$M	Due between 1 year and 5 years \$M	Due over 5 years \$M	Total \$M
Australia				
Agriculture, forestry, fishing and mining	1,682.4	189.3	399.6	2,271.3
Financial, investment and insurance	5,408.0	116.1	210.3	5,734.4
Real estate - construction	1,314.4	175.8	495.8	1,986.0
Real estate - mortgage	785.9	2,127.6	6,221.4	9,134.9
Instalment loans - individuals	2,043.2	2,179.2	1,622.8	5,845.2
Lease finance	1,872.9	2,441.6	34.8	4,349.3
Other commercial and industrial	8,267.4	2,634.6	1,106.4	12,008.4
Government and official institutions	192.2	89.1	70.0	351.3
Overseas	7,600.5	3,718.6	3,680.2	14,999.3
Gross loans and advances	29,166.9	13,671.9	13,841.3	56,680.1
Interest rate sensitivity of loans by maturity				
Variable interest rates	19,955.1	6,201.9	12,831.1	38,988.1
Fixed interest rates	9,211.8	7,470.0	1,010.2	17,692.0
Gross loans and advances	29,166.9	13,671.9	13,841.3	56,680.1

¹ Includes overdrafts.

9: Significant concentrations of credit risk

At 30 September

Group concentrations of credit risk exist if a number of counterparties are engaged in similar activities and have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

Significant credit risk concentrations in respect of the Group's loan portfolio are identified in note 7 Group loans and advances by industry category'. Off balance sheet transactions of the Group are substantially with other banks.

Concentrations of credit risk associated with the Group's portfolio of Bill acceptances are shown below by industry segment.

	Total acceptances
Australia	
Agriculture, forestry, fishing and mining	1,138.8
Financial, investment and insurance	4,015.7
Real estate - construction	939.3
Real estate - mortgage	26.5
Personal	1,840.2
Other commercial and industrial	6,529.5
Government and official institutions	213.1
	14,703.1
Overseas	
Government and official institutions	-
Banks and other financial institutions	592.8
Commercial and industrial	1,075.4
Other	146.7
	1,814.9
Total portfolio	16,518.0

10: Risk analysis**(i) Unproductive (non-accrual), past due, restructured loans and facilities**

The Group does not classify loans as unproductive (non-accrual), past due and restructured as defined by the Securities Exchange Commission in the U.S.A. However, for purposes of complying with these requirements the following sets forth all Group loans considered to fall into these categories. To the extent that specific provisions have not been made in respect of these loans and facilities full recovery is expected.

At 30 September	1990 \$M	1989 \$M	1988 \$M
Unproductive (non-accrual) loans and facilities			
Loans where interest due for the period has not been included in income. The category excludes loans to debt rescheduling countries which are classified under the category 'restructured loans'.			
Australia	2,432.0	798.2	273.0
Overseas	765.2	745.5	537.4
Less: specific provisions for doubtful debts relative to these loans	(1,108.0)	(538.0)	(405.8)
Expected recovery of unproductive (non-accrual) loans	2,089.2	1,005.7	404.6

Accruing loans - past due 90 days or more

Loans where payments of principal or interest have been deferred for reasons related to financial difficulties of the debtors, but where interest is still accrued and included in income. The category excludes loans to debt rescheduling countries which are classified under the category 'restructured loans'. The inclusion of loans in this category does not necessarily indicate that these loans are doubtful.

Australia	396.5	106.7	103.6
Overseas	113.5	57.6	37.5
Total past due loans	510.0	164.3	141.1

Restructured loans

As a matter of policy the Group does not restructure loans with the exception of the Group's exposure to debt rescheduling countries. This category details the Group total exposure, both accruing and non-accruing, to debt restructuring countries.

Overseas	889.9	1,350.4	1,380.4
Less: specific and general provisions relative to these loans (notionally tax effected)	(516.6)	(822.0)	(509.2)
Net exposure	373.3	528.4	871.2

(ii) Cross border outstandings

Cross border outstandings of the Group to countries which individually represented in excess of 0.75% of Group total assets were as follows:

At 30 September 1990	Governments and other official institutions \$M	Banks and other financial institutions \$M	Other Commercial and industrial \$M	Total \$M	% of Group assets
United Kingdom	24.9	3,496.7	958.9	4,480.5	4.5
USA	193.0	1,334.0	677.8	2,204.8	2.2
Japan	45.8	1,659.5	393.5	2,098.8	2.1
New Zealand	15.0	221.7	1,376.9	1,613.6	1.6
Hong Kong	-	1,100.2	485.5	1,585.7	1.6
At 30 September 1989					
United Kingdom	9.2	2,295.6	843.6	3,148.4	3.7
USA	57.3	990.0	1,707.1	2,754.4	3.3
Japan	-	1,919.5	386.6	2,306.1	2.7
Hong Kong	-	1,180.8	391.2	1,572.0	1.9
France	6.6	1,067.7	208.7	1,283.0	1.5
New Zealand	36.4	115.1	752.9	904.4	1.1
Singapore	-	578.3	92.4	670.7	0.8

There were no cross border outstandings to any other country exceeding 0.75% of total assets.

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

11: Provision for doubtful debts

At 30 September	1990 \$M	1989 \$M	1988 \$M	1987 \$M	1986 \$M
Balance at start of year	1,287.2	948.2	929.7	817.0	625.1
Exchange rate adjustments	(11.9)	(9.9)	(64.9)	(35.5)	83.2
Write-offs					
Australia					
Agriculture, forestry, fishing and mining	14.9	6.2	3.2	6.3	2.6
Financial, investment and insurance	1.7	19.2	3.9	7.1	0.7
Real estate - construction	10.8	15.0	1.3	2.0	0.4
Real estate - mortgage	2.8	-	-	-	-
Instalment loans - individuals	6.2	26.1	36.7	29.6	24.7
Lease finance	10.8	13.4	10.5	10.7	7.8
Other commercial and industrial	135.4	92.3	92.2	43.9	27.3
Government and official institutions	0.3	-	-	-	-
Overseas	344.2	92.2	47.8	98.9	36.4
Total write-offs	527.1	264.4	195.6	198.5	99.9
Recoveries					
Australia					
Agriculture, forestry, fishing and mining	0.9	0.5	0.1	-	-
Financial, investment and insurance	0.2	-	0.1	0.1	0.1
Real estate - construction	0.1	1.3	0.1	-	-
Real estate - mortgage	1.0	-	-	-	-
Instalment loans - individuals	0.4	7.6	3.5	3.8	2.5
Lease finance	7.1	6.0	2.7	3.3	2.1
Other commercial and industrial	15.0	13.5	8.6	6.8	3.3
Overseas	4.5	4.0	0.7	2.4	4.2
Net write-offs	497.9	231.5	179.8	182.1	87.7
Charge to profit and loss	793.2	528.8	264.8	332.0	196.4
Provisions acquired (disposed)	62.3	16.9	(1.6)	(1.7)	-
Transfer from interest suspense	-	14.8	-	-	-
Transfer from deferred tax	-	19.9	-	-	-
Notional tax realised on rescheduled debt	58.7	-	-	-	-
Other	23.4	-	-	-	-
Balance at end of year	1,715.0	1,287.2	948.2	929.7	817.0
Ratio of net write-offs during the year to average loans and acceptances outstanding during the year	0.75%	0.41%	0.35%	0.44%	0.25%

12: Certificates of deposit and term deposit maturities

The following table shows the maturity profile of the Group's certificates of deposit and term deposits issued in excess of \$A100,000.

At 30 September 1990	Due in 3 months or less \$M	Due between 3 months and 6 months \$M	Due between 6 months and 1 year \$M	Due in over 1 year \$M	Total \$M
Australia					
Certificates of deposit	1,464.7	25.7	70.3	1,659.7	3,220.4
Term deposits	6,522.3	1,431.0	588.1	325.2	8,866.6
	7,987.0	1,456.7	658.4	1,984.9	12,087.0
Overseas					
Certificates of deposit	383.6	168.0	138.0	32.9	722.5
Term deposits	5,765.8	616.5	271.2	328.9	6,982.4
	6,149.4	784.5	409.2	361.8	7,704.9
Total	14,136.4	2,241.2	1,067.6	2,346.7	19,791.9

13: Short term borrowings

The Group's short term borrowings include commercial paper, debenture stock (secured debt securities), unsecured notes and deposits, subordinated and unsubordinated debt, with a remaining term to maturity of 12 months or less. The Group has commercial paper programmes in the United States, where it issues paper through its U.S. subsidiary ANZ (Delaware) Inc., and in Europe and Asia, where the Group issues paper directly.

Years ended 30 September	1990	1989	1988
Balance at end of year	\$M	\$M	\$M
Commercial paper - ANZ (Delaware) Inc.	1,187.8	1,357.1	1,427.9
Commercial paper - other	1,147.8	1,248.0	1,366.1
Debenture stock	3,150.1	2,180.9	1,707.2
Other secured borrowings	11.8	80.1	38.7
Unsecured notes and deposits	2,226.4	2,000.5	1,547.9
Weighted average interest rate at end of year			
Commercial paper - ANZ (Delaware) Inc.	8.02%	8.70%	8.13%
Commercial paper - other	12.74%	9.88%	8.03%
Debenture stock	14.99%	13.34%	14.68%
Other secured borrowings	13.19%	13.57%	15.46%
Unsecured notes and deposits	12.98%	13.74%	12.21%
Maximum amount outstanding at any month end during year			
Commercial paper - ANZ (Delaware) Inc.	1,762.5	1,357.1	1,557.2
Commercial paper - other	1,691.9	1,391.3	1,701.5
Debenture stock	3,265.3	2,181.8	1,877.6
Other secured borrowings	39.0	132.8	239.1
Unsecured notes and deposits	3,523.7	2,182.7	1,842.1
Average amount outstanding during year			
Commercial paper - ANZ (Delaware) Inc.	1,187.0	1,178.8	1,283.0
Commercial paper - other	1,118.5	1,334.4	1,387.9
Debenture stock	2,880.8	1,631.3	1,702.9
Other secured borrowings	20.5	95.3	121.4
Unsecured notes and deposits	2,592.8	1,729.4	1,453.2
Weighted average interest rate during year			
Commercial paper - ANZ (Delaware) Inc.	8.33%	8.58%	7.52%
Commercial paper - other	14.48%	10.97%	9.58%
Debenture stock	15.54%	14.36%	15.45%
Other secured borrowings	12.53%	12.30%	17.34%
Unsecured notes and deposits	14.33%	14.38%	11.39%

14: Off-balance sheet financial instruments

At 30 September 1990

The following are off-balance sheet financial instruments with contract or notional amounts which equal or exceed the credit risk.

	Contract or notional amount \$M
Financial instruments whose contract amounts represent credit risk:	
Guarantees	1,382.7
Standby letters of credit	824.1
Bill endorsements	76.8
Commitments	
Sale and repurchase agreements	18.4
Outright forward purchases and forward deposits	758.2
Other	1,034.1
Financial instruments whose notional or contract amounts exceed the amount of credit risk:	
Documentary letters of credit	1,193.4
Performance related contingents	4,238.0
Commitments	
Underwriting facilities	1,293.9
Other	15,989.8
Currency swap agreements	4,132.0
Currency futures contracts	0.2
Currency options purchased	2,058.7
Forward rate agreements	94,864.3
Interest rate swap agreements	37,766.1
Interest rate futures contracts	31,559.4
Interest rate options purchased	774.4
Foreign exchange transactions	118,885.2
Other	12.4

S H A R E H O L D E R I N F O R M A T I O N

1: Twenty largest shareholders

As at 7 November 1990 the twenty largest shareholders held 425,642,011 shares which is equal to 43.6 per cent in full of the total issued capital of 975,593,729 shares of \$1 each.

Shareholders	No. of shares	%
Westpac Custodian Nominees Limited	73,426,797	7.5
Australian Mutual Provident Society	53,095,906	5.5
Chase AMP Nominees Ltd	48,129,739	4.9
Pendal Nominees Pty Limited	27,693,625	2.8
Winstonola Nominees Pty Ltd	26,940,150	2.8
National Nominees Limited	26,487,282	2.7
ANZ Nominees Limited	22,652,961	2.3
Perrodon Nominees Pty Ltd	20,841,972	2.1
Queensland Treasury Corporation	17,711,589	1.8
State Authorities Superannuation Board	15,557,542	1.6
The National Mutual Life Association of Australasia Limited	14,426,468	1.5
CTB Nominees Limited	11,761,508	1.2
ANZ Executors Nominees (NSW) Limited	9,729,473	1.0
MLC Life Limited	9,637,488	1.0
The Colonial Mutual Life Assurance Society Limited	9,051,376	0.9
Bank of New South Wales Nominees Pty Limited	8,726,277	0.9
Government Insurance Office of New South Wales	8,166,778	0.8
Superannuation Fund Investment Trust	7,550,819	0.8
Pearl Assurance Public Limited Company	7,465,987	0.8
The Mercantile Mutual Life Insurance Company Limited	6,588,274	0.7
	425,642,011	43.6

2: Average size of shareholdings

As at 7 November 1990 the average size of shareholdings was 10,535 (1988: 10,995).

3: Distribution of shareholdings

Range	Number of holders	% of holders	Number of shares ('000s)	% of shares
1 to 1,000 shares	34,265	37.0	18,379	1.9
1,001 to 5,000 shares	42,585	46.0	103,725	10.6
5,001 to 10,000 shares	9,208	9.9	65,477	6.7
Over 10,000 shares	6,548	7.1	788,013	80.8
	92,606	100.0	975,594	100.0

4: Categories of shareholders

	Number of holders	% of holders	Number of shares ('000s)	% of shares
Holdings (non corporate)	82,694	89.3	260,170	26.7
Banks, insurance and pension companies	436	0.5	121,935	12.5
Trustee companies	682	0.7	29,225	3.0
Nominee companies	1,634	1.8	314,340	32.2
Other companies	7,160	7.7	249,924	25.6
	92,606	100.0	975,594	100.0

5: Voting rights of shareholders

The articles provide for

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

6: Holders of non-marketable parcels

As at 7 November 1990, shareholdings of less than a marketable parcel (1 share to 99 shares) totalled 3,529 (1989: 1,880), which is equal to 3.8% of the total number of shareholdings.

7: Employee shareholder information

As at 7 November 1990 participants in the employee and senior officers' share purchase schemes held 2.8% (1989: 2.2%) of the issued share capital.

8: Directors' shareholding interests

At 7 December 1990

	Beneficially held Shares			Options (iv) (all beneficially held)	Non-beneficially held shares Fully paid (i)
	Fully paid	Partly paid			
	(i)	(ii)	(iii)		
M.D. Bridgland	139,030	-	-	-	-
W.J. Bailey	232,794	11,771	-	-	-
J.C. Dahlsen	19,500	-	50,000	50,000	10,000
D.C.L. Gibbs	30,775	9,295	50,000	50,000	-
R.K. Gosper	-	-	50,000	50,000	-
J.B. Gough	78,090	18,651	50,000	-	-
C.J. Harper	20,679	-	40,000	50,000	-
W.J. Holcroft	178,125	-	-	-	-
Dame Leonie Kramer	16,590	-	35,000	50,000	-
Sir Laurence Muir	82,559	14,306	10,000	50,000	-
R.A.D. Nicolson	190,866	16,219	-	-	-
B.W. Scott	3,017	8,605	50,000	50,000	-
Sir Ronald Trotter	-	-	50,000	50,000	-
R.B. Vaughan	7,380	-	50,000	50,000	-
	999,405	78,847	435,000	450,000	10,000

(i) Ordinary shares of \$1.00 each.

(ii) Ordinary shares of \$1.00 each issued pursuant to the company's 1988 rights issue previously paid to 50c and now fully paid up which rank for one half of the final dividend payable for the year ending 30 September 1990 (payable early in 1991) and thereafter ranking equally in all respects with the shares of the company having full dividend rights.

(iii) Ordinary shares of \$1.00 each paid as to 10 cents only issued pursuant to the directors' share and option purchase scheme.

(iv) Options issued pursuant to the directors' share and option purchase scheme to take up shares in the company during the period of 5 years after issue at market prices fixed as at the time of issue less 1 cent which amount of 1 cent was paid on issue of the option.



Australia and New Zealand Banking Group Limited