

2000 Concise Financial Report

The 2000 Concise Financial Report has been derived from the Group's 2000 Financial Report. This Concise Financial Report cannot be expected to provide as full an understanding of the Group's financial performance, financial position and financing and investing activities as the Group's 2000 Financial Report. The Chief Financial Officer's Review on pages 8 to 9 provides a discussion and analysis of the financial statements.

2000 Financial Report

A copy of the Group's 2000 Financial Report, including the independent Auditors' Report, is available to all shareholders, and will be sent to shareholders without charge upon request. The Financial Report can be requested by telephone (Australia 1800 11 33 99, overseas 61 3 9615 5989) and by internet at investor.relations@anz.com or viewed directly on the internet at www.anz.com

Ten Year Summary¹

	2000 \$M	1999 \$M	1998 \$M	1997 \$M	1996 \$M	1995 \$M	1994 \$M	1993 \$M	1992 \$M	1991 \$M
Profit and loss										
Net interest income	3,801	3,655	3,547	3,437	3,327	3,084	2,794	2,539	2,427	2,587
Other operating income	2,583	2,377	2,142	2,110	1,839	1,754	1,793	1,730	1,990	1,964
Operating expenses	(3,314)	(3,300)	(3,442)	(3,502)	(3,397)	(3,116)	(3,001)	(2,975)	(3,199)	(3,035)
Operating profit before tax, debt provision and abnormals	3,070	2,732	2,247	2,045	1,769	1,722	1,586	1,294	1,218	1,516
Debt provision ²	(502)	(510)	(487)	(400)	(175)	(237)	(388)	(637)	(2,127)	(1,062)
Income tax (expense) benefit	(863)	(736)	(576)	(466)	(469)	(442)	(388)	(190)	336	(184)
Outside equity interests	(2)	(6)	(9)	(8)	(9)	(10)	(7)	(7)	(5)	(4)
Operating profit (loss) after tax before abnormals	1,703	1,480	1,175	1,171	1,116	1,033	803	460	(578)	266
Net abnormal (loss) profit	44	–	(69)	(147)	–	19	19	(213)	(1)	1
Operating profit (loss) after tax	1,747	1,480	1,106	1,024	1,116	1,052	822	247	(579)	267
Balance Sheet										
Assets	172,467	152,801	153,215	138,241	127,604	112,587	103,874	103,045	101,138	98,212
Net Assets	9,807	9,429	8,391	6,993	6,336	5,747	5,504	5,133	4,591	5,018
Tier 1 capital ratio	7.4%	7.9%	7.2%	6.6%	6.7%	6.6%	6.8%	5.9%	4.8%	6.0%
Return on average ordinary equity ³	18.8%	17.2%	14.6%	14.8%	18.3%	17.9%	15.6%	5.0%	-11.4%	5.8%
Return on average assets ³	1.1%	1.0%	0.7%	0.7%	0.9%	0.9%	0.8%	0.2%	-0.6%	0.3%
Cost income ratio ⁴	51.7%	54.5%	60.9%	63.1%	65.8%	64.4%	65.4%	69.7%	72.4%	66.7%
Shareholder value - ordinary shares										
Total return to shareholders (share price movement plus dividends)	35.3%	19.6%	-15.6%	62.4%	33.9%	52.4%	2.0%	47.2%	-19.6%	2.3%
Market capitalisation	20,002	16,045	13,885	17,017	10,687	8,199	5,293	5,285	3,037	3,904
Dividend	64.0c	56.0c	52.0c	48.0c	42.0c	33.0c	25.0c	20.0c	20.0c	20.0c
Franked portion										
– interim	100%	75%	60%	100%	50%	0%	0%	0%	100%	100%
– final	100%	80%	60%	100%	100%	33%	0%	0%	0%	100%
Closing share price										
– high	\$13.46	\$12.45	\$11.88	\$11.58	\$7.28	\$5.75	\$5.68	\$4.40	\$4.88	\$4.20
– low	\$9.60	\$8.58	\$8.45	\$7.10	\$5.41	\$3.55	\$3.78	\$2.53	\$2.87	\$2.92
– 30 Sep	\$13.28	\$10.25	\$9.02	\$11.28	\$7.23	\$5.67	\$3.91	\$4.04	\$2.88	\$3.83
Share information (per fully paid ordinary share)										
Earnings per share before abnormals – basic	103.9c	90.6c	77.2c	78.4c	76.3c	68.5c	54.5c	30.8c	-60.1c	26.7c
Earnings per share after abnormals – basic	106.8c	90.6c	72.6c	68.6c	76.3c	69.9c	55.9c	13.5c	-60.2c	26.9c
Dividend payout ratio (before abnormals)	59.1%	62.1%	67.8%	61.6%	55.5%	49.1%	46.4%	65.6%	n/a	69.6%
Net tangible assets	\$5.49	\$5.21	\$4.98	\$4.59	\$4.24	\$3.94	\$3.58	\$3.43	\$3.40	\$4.31
No. of fully paid ordinary shares issued (millions)	1,506.2	1,565.4	1,539.4	1,508.6	1,478.1	1,446.0	1,353.6	1,308.2	1,054.5	1,019.3
DRP issue price										
– interim	\$11.62	\$10.95	\$10.64	\$9.77	\$5.59	\$4.40	\$3.78	\$3.42	\$3.58	\$3.42
– final	–	\$11.50	\$10.78	\$9.92	\$7.60	\$6.27	\$3.73	\$4.44	\$2.51	\$4.46
Other information										
Points of representation	1,087	1,147	1,205	1,473	1,744	1,881	2,026	2,136	2,302	2,367
No. of employees (full time equivalents) ⁵	23,134	30,171	32,072	36,830	39,721	39,240	39,642	40,277	43,977	46,261
No. of shareholders	200,798	214,151	151,564	132,450	121,847	114,829	121,070	115,000	112,036	101,188

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

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

³ After abnormals

⁴ Before goodwill amortisation and abnormals

⁵ Prior to 1997 excludes temporary staff

Directors' Report

The directors present their report together with the concise financial report of the consolidated entity (the Group), being Australia and New Zealand Banking Group Limited (the Company) and its controlled entities, for the year ended 30 September 2000 and the auditors' report thereon. The information is provided in conformity with the Corporations Law.

Principal Activities

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

On 31 July 2000, the Group sold ANZ Grindlays Bank Limited, the private banking business of the Group in the United Kingdom and Jersey together with ANZ Grindlays (Jersey) Holding Limited and its subsidiaries to Standard Chartered Bank, a United Kingdom registered bank. Other than this there has been no significant change in the nature of the principal activities of the Group during the financial year.

At 30 September 2000, the Group had 1,087 points of representation.

Result

Consolidated operating profit after income tax and abnormal items attributable to members of the Company was \$1,747 million. Further details are contained in the Chief Executive Officer's Review and the Chief Financial Officer's Review commencing on pages 8 and 9 respectively of the 2000 Annual Report.

Dividends

The directors propose payment of a final dividend of 35 cents per fully paid ordinary share, fully franked, to be declared on 20 November 2000 and to be paid on 15 December 2000. The proposed payment amounts to \$528 million.

During the financial year, the following dividends were paid on fully paid ordinary shares (final dividend: partially franked to 80%; interim dividend: fully franked):

Type	Cents per share	Amount before bonus option \$M	Date of payment
Final	30	470	20 December 1999
Interim	29	445	3 July 2000

The final dividend for the year ended 30 September 1999 was paid on 20 December 1999 and is detailed in the Directors' Report dated 8 November 1999.

Review of Operations

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

State of Affairs

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

- Net loans and advances increased by 12% from \$104,063 million to \$116,315 million, primarily from growth in mortgage lending and commercial lending in Australia and New Zealand.
- Deposits and other borrowings increased by 4% from \$96,559 million to \$100,602 million.
- The charge for doubtful debts has been determined using economic loss provisioning and is based on the Group's risk management models.
 - The economic loss provision charge decreased from \$510 million to \$502 million, reflecting an improved risk profile partly offset by asset growth.
 - Net specific provisions were \$383 million.
 - Gross non-accrual loans decreased to \$1,391 million, or 1.2% of net loans and advances.
- On 3 November 1999 the Group announced an on-market buyback of ordinary shares. This was completed during March 2000 and 48 million ordinary shares were bought back at a total cost of \$509 million. A further \$1 billion on-market buyback of ordinary shares was announced on 27 April 2000. As at 30 September 2000, a further 41 million ordinary shares had been repurchased at a total cost of \$505 million.
- On 27 April 2000 the Group announced the sale of its Grindlays banking business in the Middle East and South Asia together with the Grindlays Private Banking business in Jersey and the United Kingdom to Standard Chartered Bank. The sale was completed on 31 July 2000 realising a net \$404 million profit after tax and provisions relating to warranties, indemnities and restructuring.

The portion of the business sold contributed \$109 million to the Group's 2000 result.
- On 18 July 2000 the Group announced its intention to use technology to transform its existing businesses and focus on creating new growth opportunities. A restructuring provision of \$245 million after tax has been taken to cover the exit costs associated with these programs.
- The Group has also recognised a significant investment writedown of \$81 million, and provided for resolution of certain litigation matters (\$33 million after tax).

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

Events since the end of the Financial Year

No matter or circumstance has arisen between 30 September 2000 and the date of this report that has significantly affected or may significantly affect the operations of the Group in future financial years, the results of those operations or the state of affairs of the Group in future years.

Directors' Report

Future Developments

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

Rounding of Amounts

The Company is a company of the kind referred to in the Australian Securities and Investments Commission class order 98/100 dated 10 July 1998 pursuant to section 341(1) of the Corporations Law. As a result, amounts in this report and the accompanying financial statements have been rounded to the nearest million dollars except where otherwise indicated.

Shareholdings

The directors' shareholdings, both beneficial and non-beneficial, in the shares of the Company are detailed on page 31 of the 2000 Annual Report and this table is incorporated in and forms part of this report.

Share Options

Details of share options issued over unissued shares granted to directors, senior executives and officers, are shown under Director and Executive Emoluments in this report, and in note 46 of the Financial Report.

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

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

Directors, Qualifications and Experience

The Board includes seven non-executive directors who have a diversity of business and community experience and one director with executive responsibilities who has extensive banking experience. The names, qualifications and experience of the directors who are in office at the date of this report are contained on pages 22 and 23 of the 2000 Annual Report and those pages are incorporated in and form part of this report.

Special responsibilities and attendance at meetings, are shown on page 31.

Director and Executive Emoluments

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

The Committee consists of the executive and non-executive directors shown in the table on page 31.

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

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

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

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

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

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

Deferred shares are held in trust and may vest with the senior executive after the minimum relevant period. If the senior executive resigns or is dismissed during that period, the shares are forfeited.

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

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

Directors' Report

Director Emoluments

Amounts in \$	Fees Paid					Total
	Cash	Value of deferred shares ¹	Subsidiary Board	Committee fee	Superannuation contributions	
Non-executive directors						
C B Goode (Chairman)	76,000	239,000	–	–	7,742	322,742
J C Dahlsen	90,000	–	–	10,000	7,500	107,500
R S Deane	90,000	–	88,954	–	6,525	185,479
J K Ellis	80,000	10,000	–	10,000	7,500	107,500
M A Jackson	90,000	–	2,500	10,000	7,634	110,134
B W Scott	64,375	25,625	2,500	10,000	7,634	110,134
G K Toomey	90,000	–	–	–	6,525	96,525
	580,375	274,625	93,954	40,000	51,060	1,040,014

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

Executive Emoluments

Cash and benefits

Amounts in \$	Salary or fees	Performance related bonus (cash component)	Benefits ¹	Superannuation contributions	Total cash and other benefits
Executive Management Committee					
J McFarlane (Executive director)	1,129,273	433,333	–	70,727	1,633,333
D L Boyles	634,149	203,333	32,845	33,006	903,333
R A Davis	489,255	241,667	146,704	31,527	909,153
E Funke Kupper	568,542	246,667	3,167	28,291	846,667
P J O Hawkins	711,469	200,000	3,167	35,364	950,000
P R Marriott	663,827	186,667	3,167	33,006	886,667

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

Deferred shares and options

	Deferred Shares ¹				Options issued ²		
	Type I		Type II		Number Issued	Date	Exercise Price \$
	Number	Value \$	Number	Value \$			
J McFarlane (Executive Director)	91,654	1,182,888	–	–	750,000	31/12/1999	11.49
D L Boyles	14,639	203,334	28,439	357,894	25,000	23/02/2000	10.11
R A Davis ³	17,399	241,667	31,199	396,227	700,000	27/10/1999	9.94
E Funke Kupper	17,759	246,667	24,759	325,067	–	–	–
P J O Hawkins	14,399	200,000	29,199	365,760	–	–	–
P R Marriott	13,439	186,667	27,239	341,227	25,000	23/02/2000	10.11

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

² All options expire seven years from the date of grant. These options are exercisable between three and seven years of the date of grant if certain performance conditions are met. Each option entitles the holder to purchase one ordinary fully paid share in the company. The estimated value is calculated using a modified Black Scholes model. Estimated values, per option, at the dates of issue, were: \$1.42 (J McFarlane), \$1.48 (D L Boyles, P R Marriott), \$1.26 (R A Davis)

³ In addition R A Davis received compensation for loss of accrued benefits relating to employment entitlements lost by joining the Group. A total of 200,000 shares were issued at \$10.24 (value \$2,048,000). These shares are deferred for a minimum of 3 years

Directors' Report

Directors' and Officers' Indemnity

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

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

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

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

- a claim by the Company;
- a lack of good faith;
- illegal or dishonest conduct; or
- non compliance with Company policies or discretions.

The Company has entered into deeds of indemnity with its directors and secretaries and with certain employees and certain other individuals who act as directors of related body corporates. To the extent permitted by law, the Company indemnifies the individual for all liabilities, including costs, damages and expenses incurred in their capacity as an officer of the Company to which they have been appointed.

The Company has indemnified the trustees and former trustees of certain of the Company's superannuation funds and directors, former directors, officers and former officers

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

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

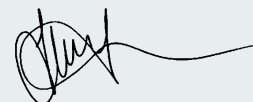
Except for the above, no person has been indemnified nor has the Company or a related body corporate of the Company made an agreement to indemnify any person who is or has been an officer or auditor of the Company or of a related body corporate.

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

Signed in accordance with a resolution of the directors.



Charles Goode
Chairman



John McFarlane
Chief Executive Officer

6 November 2000

Directors' Meetings

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

	Board		Risk Management		Audit		Human Resources		Strategic Issues		Executive Committee		Shares Committee		Committee of the Board	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B
C B Goode	12	12	12	9	6	6	9	9	8	7	3	3	9	9	6	6
J C Dahlsen	12	12	–	–	6	6	–	–	8	6	3	3	4	4	–	–
R S Deane ¹	12	10	12	9	–	–	–	–	8	6	–	–	–	–	–	–
J K Ellis	12	12	12	10	–	–	9	9	–	–	–	–	10	10	–	–
M A Jackson	12	12	–	–	6	6	–	–	8	8	2	2	2	2	–	–
J McFarlane	12	12	12	12	6	5	9	9	8	8	3	3	4	4	7	7
B W Scott	12	12	–	–	6	6	9	9	–	–	–	–	9	9	1	1
G K Toomey	12	12	12	10	–	–	9	8	–	–	–	–	3	3	–	–

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

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

¹ New Zealand resident

Major Committees

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

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

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

Strategic Issues (Chairman - M A Jackson) oversees proposed acquisitions, divestments and joint ventures and other strategic initiatives.

Directors' Shareholdings

	Beneficially held		Non-beneficially held
	Shares ¹	Options	Shares
C B Goode	210,339	–	140,019
J C Dahlsen	83,400	–	12,000
R S Deane	75,000	–	–
J K Ellis	56,370	–	–
M A Jackson	67,785	–	–
J McFarlane	502,044	1,750,000 ²	–
B W Scott	62,683	–	–
G K Toomey	2,259	–	–
Total	1,059,880	1,750,000	152,019

¹ Shares include deferred shares

² 500,000 options exercisable at \$12.12 after 1 February 2000; 500,000 options exercisable at \$11.40 after 1 June 2001; 750,000 options exercisable at \$11.49 after 31 December 2002 and subject to a performance hurdle that the "ANZ accumulation index" exceeds the "ASX 100 accumulation index"

Australia and New Zealand Banking Group Limited and Controlled Entities
Profit and Loss Account for the year ended 30 September 2000

	Note	2000 \$M	Consolidated 1999 \$M	1998 \$M
Interest income		10,241	8,684	9,499
Interest expense		(6,440)	(5,029)	(5,952)
Net interest income		3,801	3,655	3,547
Other operating income		2,583	2,377	2,142
Operating income		6,384	6,032	5,689
Operating expenses		(3,314)	(3,300)	(3,442)
Operating profit before debt provision and abnormal items		3,070	2,732	2,247
Provision for doubtful debts		(502)	(510)	(487)
Operating profit before abnormal items		2,568	2,222	1,760
Abnormal profit (loss)	2	221	–	(102)
Operating profit before income tax		2,789	2,222	1,658
Income tax (expense) benefit				
Operating profit		(863)	(736)	(576)
Abnormal profit (loss)	2	(177)	–	33
Income tax expense		(1,040)	(736)	(543)
Operating profit after income tax		1,749	1,486	1,115
Outside equity interests		(2)	(6)	(9)
Operating profit after income tax				
attributable to members of the Company		1,747	1,480	1,106
Retained profits at start of year		2,952	2,412	1,830
Total available for appropriation		4,699	3,892	2,936
Transfers (to) from reserves		(49)	(54)	223
Ordinary share dividends provided for or paid	3	(941)	(814)	(747)
Preference share dividends paid	3	(102)	(72)	–
Retained profits at end of year		3,607	2,952	2,412
Earnings per ordinary share (cents)				
Basic				
Before abnormal items		103.9	90.6	77.2
After abnormal items		106.8	90.6	72.6
Diluted				
Before abnormal items		103.5	90.3	76.9
After abnormal items		106.3	90.3	72.4

Australia and New Zealand Banking Group Limited and Controlled Entities

Balance Sheet as at 30 September 2000

	Note	Consolidated	
		2000 \$M	1999 \$M
Assets			
Liquid assets		5,648	5,283
Due from other financial institutions		5,822	3,472
Trading securities		4,126	4,259
Investment securities		3,006	4,695
Net loans and advances		116,315	104,063
Customers' liabilities for acceptances		15,482	14,858
Life insurance investment assets		4,739	4,063
Regulatory deposits		103	616
Shares in associates		29	32
Other assets		15,938	10,036
Premises and equipment		1,259	1,424
Total assets		172,467	152,801
Liabilities			
Due to other financial institutions		12,247	9,001
Deposits and other borrowings		100,602	96,559
Liability for acceptances		15,482	14,858
Income tax liability		1,303	1,051
Creditors and other liabilities		13,371	9,421
Provisions		2,089	1,010
Life insurance policy liabilities		4,360	3,795
Bonds and notes		9,519	4,456
Loan capital		3,687	3,221
Total liabilities		162,660	143,372
Net assets		9,807	9,429
Shareholders' equity			
Ordinary share capital	4	4,028	4,770
Preference share capital		1,374	1,145
Reserves		786	536
Retained profits		3,607	2,952
Share capital and reserves attributable to members of the Company		9,795	9,403
Outside equity interests		12	26
Total shareholders' equity and outside equity interests		9,807	9,429
Contingent liabilities	5		

Australia and New Zealand Banking Group Limited and Controlled Entities
Statement of Cash Flows for the year ended 30 September 2000

	2000 \$M	Consolidated 1999 \$M	1998 \$M
	Inflows (Outflows)		
Cash flows from operating activities			
Interest received	9,916	8,679	9,403
Dividends received	192	157	169
Fees and other income received	2,460	2,089	1,797
Interest paid	(6,108)	(5,039)	(6,238)
Personnel expenses paid	(1,735)	(1,840)	(2,001)
Premises expenses paid	(283)	(282)	(291)
Other operating expenses paid	(1,199)	(977)	(1,085)
Income taxes paid	(754)	(535)	(423)
Goods and services tax received	4	-	-
Net decrease (increase) in trading securities	(25)	1,442	926
Net cash provided by operating activities	2,468	3,694	2,257
Cash flows from investing activities			
Net decrease (increase)			
Due from other financial institutions	(792)	616	2,299
Regulatory deposits	(90)	828	(308)
Loans and advances	(17,633)	(12,936)	(9,680)
Shares in controlled entities and associates	(50)	-	-
Investment securities			
Purchases	(8,109)	(5,527)	(5,490)
Proceeds from sale or maturity	8,553	4,670	5,279
Controlled entities and associates			
Purchased (net of cash acquired)	(43)	(2)	(8)
Proceeds from sale (net of cash disposed)	1,510	-	-
Transferred from controlled entities to associates (net of cash)	-	(94)	-
Premises and equipment			
Purchases	(275)	(177)	(143)
Proceeds from sale	249	142	75
Other	(3,160)	(610)	1,483
Net cash (used in) investing activities	(19,840)	(13,090)	(6,493)
Cash flows from financing activities			
Net (decrease) increase			
Due to other financial institutions	3,111	(779)	(2,047)
Deposits and other borrowings	12,763	5,202	2,131
Creditors and other liabilities	(843)	743	(288)
Bonds and notes			
Issue proceeds	5,555	4,330	802
Redemptions	(1,341)	(479)	(2,174)
Loan capital			
Issue proceeds	152	-	559
Redemptions	(147)	(256)	(273)
Decrease in outside equity interests	(19)	(1)	(3)
Dividends paid	(749)	(671)	(491)
Share capital issues	36	591	714
Share buyback	(1,014)	-	-
Net cash provided by (used in) financing activities	17,504	8,680	(1,070)
Net cash provided by operating activities	2,468	3,694	2,257
Net cash (used in) investing activities	(19,840)	(13,090)	(6,493)
Net cash provided by (used in) financing activities	17,504	8,680	(1,070)
Net (decrease) increase in cash and cash equivalents	132	(716)	(5,306)
Cash and cash equivalents at beginning of year	6,634	8,981	12,456
Foreign currency translation on opening balances	(304)	(1,631)	1,831
Cash and cash equivalents at end of year	6,462	6,634	8,981

Notes to the Concise Financial Statements

1: Accounting Policies

This concise financial report has been derived from the Group's 2000 Financial Report which complies with the Corporations Law, Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board. A full description of the accounting policies adopted by the Group is provided in the 2000 Financial Report. The accounting policies are consistent with those of the previous financial year except for the change disclosed.

Change in Accounting Policy

The Group conducts life insurance business through ANZ Life Assurance Company Limited (ANZ Life). A new Accounting Standard AASB 1038 "Life Insurance Business", was applied from 1 October 1999. This standard requires the first time consolidation of approximately \$4 billion of assets and liabilities in the statutory funds of ANZ Life which relate to policyholders. Previously, only the Group's interest in the actuarially assessed surplus of ANZ Life's statutory funds, after

allowing for increases in policyholder reserves determined under the margin on services methodology, together with the assets and liabilities of the shareholders funds of ANZ, were included. AASB 1038 requires all assets held by ANZ Life, including subsidiary companies, to be marked to market; however this requirement, under the current structure, has nil impact on the Group. Accordingly, no appraisal or embedded values for subsidiary companies have been booked in these accounts. AASB 1038 also requires the Group to consolidate income, expenses and the income tax expense relating to the statutory funds. This resulted in an increase to other income of \$58 million, an increase to other expenses of \$7 million and an increase of \$51 million in income tax expenses in the twelve months to September 2000. Transactions between ANZ Life and other Group entities have been eliminated on consolidation. The net contribution from ANZ Life for the year was \$49 million (Sep 99: \$54 million). This net contribution was calculated using the margin on services methodology and was unaffected by the adoption of AASB 1038. Comparative figures have been restated.

	2000 \$M	Consolidated 1999 \$M	1998 \$M
2: Abnormal Items			
Profit before tax			
Revaluation of properties	30	-	-
Gain on sale of investment in Colonial Limited	33	-	-
Income from sale of Grindlays and associated businesses	1,225	-	-
(Loss) before tax			
Costs of exiting businesses	-	-	(102)
Provisions raised on sale of Grindlays and associated businesses	(575)	-	-
Restructuring provision	(361)	-	-
Provision for litigation	(50)	-	-
Writedown of investment in Panin	(81)	-	-
Total abnormal profit (loss) before tax	221	-	(102)
Income tax (expense) benefit applicable to			
Costs of exiting businesses	-	-	33
Restatement of deferred tax balances	(64)	-	-
Sale of Grindlays and associated businesses and provisions raised	(246)	-	-
Restructuring provision	116	-	-
Provision for litigation	17	-	-
Total abnormal income tax (expense) benefit	(177)	-	33
Total abnormal profit (loss) after tax	44	-	(69)

Sale of Grindlays businesses

On 31 July 2000, the Group sold ANZ Grindlays Bank Limited and the private banking business of the Group in the United Kingdom and Jersey together with ANZ Grindlays (Jersey) Holdings Limited and its subsidiaries (the Grindlays business) to Standard Chartered Bank (SCB). Income from sale of \$1,225 million represents goodwill of USD 750 million, less costs of hedging and transaction costs.

As part of the sale of the Grindlays businesses to SCB, the Group has provided warranties relating to the Grindlays business. Where it is anticipated that payments are likely under these warranties, provisions have been made to cover the anticipated liability. In addition the Group has provided SCB and/or Grindlays with certain indemnities namely:

1. an indemnity relating to liabilities Grindlays may incur as a result of certain claims made against Grindlays and its officers in India (the Indian Indemnity). Provisions have been made to cover the estimated liability;
2. an indemnity in relation to certain customer accounts written by Grindlays prior to 31 July 2000. The indemnity covers 80% of losses emerging on accounts currently totalling up to USD 186 million;

Notes to the Concise Financial Statements

2: Abnormal Items (continued)

- an indemnity for certain cross-border risks in relation to import letters of credit issued by Grindlays Pakistan to its customers in Pakistan prior to 31 July 2000. The duration of this indemnity is 1 year. The indemnity covers losses emerging on accounts totalling USD 80 million. It is not currently anticipated that the Group will be called on to make any material payments under this indemnity; and
- an indemnity relating to tax liabilities of Grindlays (and its subsidiaries) and the Jersey sub-group to the extent to which such liabilities have not been provided for in the Grindlays accounts as at 31 July 2000.

Details covering the Indian Indemnity and other matters are contained in the 2000 Financial Report.

3: Ordinary dividends

	2000 \$M	1999 \$M	1998 \$M
Interim dividend	445	404	366
Final dividend	528	470	431
Bonus option plan adjustment	(32)	(60)	(50)
Dividends on ordinary shares	941	814	747

A fully franked final dividend of 35 cents, is proposed to be paid on each fully paid ordinary share on 15 December 2000 (1999: final dividend of 30 cents, paid 20 December 1999, partially franked to 80%; 1998: final dividend of 28 cents, paid 21 December 1998, partially franked to 60%). The 2000 interim dividend of 29 cents, paid 3 July 2000, was fully franked (1999: interim dividend of 26 cents, paid 5 July 1999, partially franked to 75%; 1998: interim dividend of 24 cents, paid 6 July 1998, partially franked to 60%).

The tax rate applicable to the franking credits attached to the interim dividend and to be attached to the proposed final dividend is 34% (1999: 36%, 1998: 36%).

Preference dividends

Dividends on preference shares	102	72	–
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In 1998 the Company issued 124,032,000 preference shares, raising USD 775 million via trust securities issues. The Trust Securities carry an entitlement to a distribution of 8% (on USD 400 million) and 8.08% (on USD 375 million). The amounts are payable quarterly in arrears. Shown above are amounts paid for the year to 30 September 2000 (1999: from their dates of issue, 23 September 1998 and 19 November 1998, to 30 September 1999). Payment dates are the fifteenth days of January, April, July and October.

Dividend Franking Account

The amount of franking credits available for the subsequent financial year is nil (1999 and 1998: nil), after adjusting for franking credits that will arise from the payment of tax on Australian profits for the 2000 financial year, less franking credits which will be utilised in franking the proposed final dividend and franking credits that may not be accessible by the Company at present.

4: Share Buybacks

The Company conducted the following on-market buybacks to 30 September 2000 in accordance with directors' resolutions:

Date of announcement ¹	Date buyback completed	Number of ordinary shares bought back	Average price per share	Total consideration ² \$M
3 November 1999	28 March 2000	48 million	\$10.60	509
27 April 2000	on-going	41 million ³	\$12.39	505
Total		89 million		1,014

¹ Approval date of the buyback by directors' resolutions

² Consideration is allocated to Share Capital

³ Total bought back to 30 September 2000

5: Contingent Liabilities

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

Notes to the Concise Financial Statements

6: Segment Analysis

During the year ended 30 September 2000, the Group managed its activities along the following lines of business: Personal Financial Services, Corporate Financial Services and International. Group includes the results of asset and liability management and earnings on central capital and abnormal. A description of each of the operating business segments, including the types of products and services the segments provide to customers, is detailed in the 2000 Financial Report.

Business Segment Analysis^{1,2}

Consolidated 30 September 2000	Personal Financial Services \$M	Corporate Financial Services \$M	International \$M	Group and Abnormals \$M	Discontinued Businesses ³ \$M	Consolidated Total \$M
Total income	5,834	4,974	569	1,685	969	14,031
Net interest income	1,999	1,022	159	285	336	3,801
Other operating income	1,151	1,039	129	25	239	2,583
Operating income	3,150	2,061	288	310	575	6,384
Depreciation/amortisation	(57)	(27)	(15)	(71)	(16)	(186)
Other expenses	(1,692)	(937)	(175)	(52)	(272)	(3,128)
Doubtful debt provision	(171)	(214)	(22)	(33)	(62)	(502)
Operating profit before abnormal items	1,230	883	76	154	225	2,568
Abnormal profit	–	–	–	221	–	221
Operating profit before income tax	1,230	883	76	375	225	2,789
Income tax and outside equity interests	(458)	(236)	(36)	(196)	(116)	(1,042)
Operating profit after income tax	772	647	40	179	109	1,747
Total assets	71,673	77,169	8,011	14,702	912	172,467
Total liabilities	40,994	60,259	10,667	48,556	2,184	162,660

Business Segment Analysis^{1,2}

Consolidated 30 September 1999	Personal Financial Services \$M	Corporate Financial Services \$M	International \$M	Group and Abnormals \$M	Discontinued Businesses ³ \$M	Consolidated Total \$M
Total income	4,740	4,309	588	353	1,071	11,061
Net interest income	1,875	984	185	266	345	3,655
Other operating income	1,010	967	128	48	224	2,377
Operating income	2,885	1,951	313	314	569	6,032
Depreciation/amortisation	(44)	(31)	(11)	(92)	(17)	(195)
Other expenses	(1,740)	(924)	(157)	(1)	(283)	(3,105)
Doubtful debt provision	(123)	(221)	(51)	(32)	(83)	(510)
Operating profit before abnormal items	978	775	94	189	186	2,222
Abnormal profit	–	–	–	–	–	–
Operating profit before income tax	978	775	94	189	186	2,222
Income tax and outside equity interest	(362)	(213)	(32)	(64)	(71)	(742)
Operating profit after income tax	616	562	62	125	115	1,480
Total assets	59,709	69,842	5,814	7,726	9,710	152,801
Total liabilities	39,004	59,881	7,902	24,349	12,236	143,372

¹ Results are equity standardised

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

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

Notes to the Concise Financial Statements

6: Segment Analysis (continued)

The Group operates in five major geographical locations: Australia, New Zealand, UK and Europe, Asia Pacific and Americas. As a result of the sale of the Grindlays operations, the Group no longer has material operations in South Asia and the Middle East.

Geographic Segment Analysis	2000		1999	
	Income \$M	Assets \$M	Income \$M	Assets \$M
Australia	7,991	127,306	6,867	107,551
New Zealand	1,843	20,354	1,624	19,730
UK and Europe	777	9,147	620	6,444
Asia Pacific	1,463	7,892	584	5,622
South Asia	728	9	623	4,802
Americas	683	7,625	349	4,988
Middle East	546	134	394	3,664
Total	14,031	172,467	11,061	152,801

7: Events since the end of the Financial Year

There have been no significant events since 30 September 2000 to the date of this report.

Directors' Declaration

The directors of Australia and New Zealand Banking Group Limited declare that the accompanying concise financial report of the consolidated Group is fairly presented as an abbreviation of the Group's 30 September 2000 Financial Report and complies with Australian Accounting Standard AASB 1039 "Concise Financial Reports".

In our report on the Group's 2000 Financial Report we declared that:


- (a) the financial statements and notes comply with the Corporations Law, including:
- (i) complying with applicable Australian Accounting Standards and other mandatory professional reporting requirements; and

- (ii) giving a true and fair view of the financial position of the Company and of the consolidated Group and of their performance as represented by the results of their operations and their cash flows; and
- (b) in the directors' opinion at the date of this declaration there are reasonable grounds to believe that the Company and consolidated Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors



Charles Goode
Chairman



John McFarlane
Chief Executive Officer

6 November 2000

Auditors' Report

To the members of Australia and New Zealand Banking Group Limited

Scope

We have audited the concise financial report of Australia and New Zealand Banking Group Limited and its controlled entities for the financial year ended 30 September 2000 as set out on pages 8 to 9, and pages 32 to 38 in order to express an opinion on it to the members of the company. The company's directors are responsible for the concise financial report.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the concise financial report is free of material misstatement. We have also performed an independent audit of the full financial report of Australia and New Zealand Banking Group Limited and its controlled entities for the year ended 30 September 2000. Our audit report on the full financial report was signed on 6 November 2000, and was not subject to any qualification.

Our procedures in respect of the audit of the concise financial report included testing that the information in the concise financial report is consistent with the full financial report and examination, on a test basis, of evidence supporting the amounts,

discussion and analysis, and other disclosures which were not directly derived from the full financial report. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report is presented fairly in accordance with Accounting Standard AASB 1039 "Concise Financial Reports" issued in Australia.

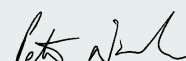
The audit opinion in this report has been formed on the above basis.

Audit Opinion

In our opinion the concise financial report of Australia and New Zealand Banking Group Limited and its controlled entities for the year ended 30 September 2000 complies with AASB 1039 "Concise Financial Reports".



KPMG
Chartered Accountants
Melbourne
6 November 2000



P S Nash
Partner

Financial Highlights in Key Currencies

Millions	2000 AUD	2000 USD ¹	2000 GBP ¹	2000 NZD ¹
Profit and loss				
Net income	6,384	3,895	2,492	8,074
Operating expenses	(3,314)	(2,022)	(1,293)	(4,191)
Profit before tax, debt provision and abnormal items	3,070	1,873	1,199	3,883
Provision for doubtful debts	(502)	(306)	(197)	(635)
Profit before tax and abnormal items	2,568	1,567	1,002	3,248
Income tax expense	(863)	(527)	(337)	(1,091)
Outside equity interests	(2)	(1)	(1)	(3)
Profit after tax before abnormal items	1,703	1,039	664	2,154
Net abnormal profit	44	27	17	56
Profit after tax and abnormal items	1,747	1,066	681	2,210
Balance Sheet				
Assets	172,467	93,891	64,158	229,795
Liabilities	162,660	88,552	60,509	216,728
Shareholders' equity ²	9,807	5,339	3,649	13,067
Ratios - per ordinary share				
Earnings per share - after abnormal items (basic)	106.8c	65.2c	41.7p	135.1c
Dividends per share - declared rate	64c	39c	25p	81c
Net tangible assets per share	\$5.49	\$3.00	£2.04	\$7.31

¹ USD, GBP and NZD amounts - profit and loss converted at average rates for financial year 30 September 2000 and balance sheet items at closing rates at 30 September 2000

² Includes outside equity interests

Exchange Rates

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

	2000		1999		1998	
	Closing	Average	Closing	Average	Closing	Average
Great Britain pound	0.3720	0.3903	0.3972	0.3932	0.3496	0.3913
United States dollar	0.5444	0.6101	0.6533	0.6403	0.5972	0.6468
New Zealand dollar	1.3324	1.2647	1.2598	1.2014	1.1868	1.1581

Shareholder Information

Ordinary shares

At 6 October 2000 the twenty largest holders of ordinary shares held 875,256,246 ordinary shares, equal to 58.1 per cent of the total issued ordinary capital.

Shareholder	Number of shares	%	Shareholder	Number of shares	%
Chase Manhattan Nominees Ltd	263,571,248	17.5	Mercantile Mutual Life Insurance Company Ltd	22,850,815	1.5
National Nominees Ltd	136,471,622	9.1	MLC Limited	20,557,107	1.4
Westpac Custodian Nominees Ltd	122,697,466	8.1	Perpetual Trustees Nominees Ltd	18,514,715	1.2
Permanent Trustee Australia Ltd	37,492,509	2.5	HKBA Nominees Ltd	16,350,624	1.1
Commonwealth Custodial Services Ltd	36,582,841	2.4	AMP Nominees Pty Ltd	10,673,208	0.7
Perpetual Nominees Ltd	34,530,106	2.3	BT Custodial Services Pty Ltd	10,144,764	0.7
ANZ Nominees Ltd	33,130,884	2.2	NRMA Nominees Pty Ltd	8,675,751	0.6
Queensland Investment Corporation	30,084,628	2.0	The National Mutual Life Association of Australasia	7,928,200	0.5
Citicorp Nominees Pty Ltd	27,092,349	1.8	ANZEST Pty Ltd	6,248,556	0.4
AMP Life Ltd	26,186,680	1.7	Perpetual Trustees Australia Ltd	5,472,173	0.4
				875,256,246	58.1

Distribution of shareholdings

At 6 October 2000 Range	Number of holders	%	Number of shares	%
1 to 1,000 shares	89,792	50.1	43,953,557	2.9
1,001 to 5,000 shares	69,488	38.8	158,879,825	10.6
5,001 to 10,000 shares	11,935	6.7	84,824,575	5.6
10,001 to 100,000 shares	7,617	4.2	163,999,739	10.9
Over 100,001 shares	412	0.2	1,054,494,877	70.0
Total	179,244	100	1,506,152,573	100

At 6 October 2000:

- there were three entries in the Register of Substantial Shareholdings being Franklin Resources Inc. (109,261,388 shares held), Commonwealth Bank of Australia (97,384,930 shares held), and The Capital Group of Companies Inc. (94,298,219 shares held). These holdings are held by several nominee companies;
- the average size of holdings of ordinary shares was 8,403 (1999: 8,352) shares; and
- there were 1,762 shareholdings of less than a marketable parcel (less than \$500 in value (36 shares based on a market price of \$13.55)), (1999: 8,742), which is less than 1% of the total holdings of ordinary shares.

Voting rights of ordinary shares

The Constitution provides for:

- on show of hands 1 vote;
- on a poll 1 vote for each fully paid ordinary share held; and
- on a poll each partly paid share held has a fraction of a vote equal to the proportion which the amount paid bears to the total issued price of the share.

Preference shares

At 6 October 2000 Hare and Co was the only holder of redeemable preference shares and held 124,032,000 preference shares, being 100 per cent of the total issued preference capital.

Voting rights of preference shares

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

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

Employee shareholder information

At the Annual General Meeting in January 1994, shareholders approved a cumulative limit of 7% of the issued share capital of the Company as the number of shares and options over unissued shares which may be issued and held for employees under various employee share and option schemes.

At 6 October 2000 participants held 1.4% of the issued capital under the following employee incentive schemes:

- ANZ Employee Share Acquisition Plan;
- ANZ Group Share Purchase Scheme; and
- ANZ Share Option Plan (in respect of options over unissued shares).