

VISION

ANZ is a vibrant **financial services company** that delivers:

- Superior performance and value to our **shareholders**
- An experience which delights our **customers**
- An environment where our **people** excel

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KEY DATES

<i>Record Date for Final Dividend</i>	19/11/99
<i>Annual General Meeting – Sydney</i>	20/12/99
<i>Payment of Final Dividend</i>	20/12/99
<i>Announcement of Interim Results</i>	3/5/00*
<i>Record Date for Interim Dividend</i>	9/6/00*
<i>Payment of Interim Dividend</i>	3/7/00*

*tentative dates only



Jennifer Duigan,
Senior Sales
Consultant, at one
of our new look
branches.

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED

1999 ANNUAL REPORT

Welc ome

ANZ



1999 HIGHLIGHTS

Earnings per share up 17% to 90.6 cents

Profit after tax and abnormals up to \$1,480 million (\$1,106m)

Profit before abnormals also up to \$1,480 million (\$1,175m)

Annual dividend increased 8% to 56 cents

Non-accrual loans stabilised

Cost income ratio down to 55.0% (60.9%)

Material improvement in business mix

Active capital management

Profit after tax* up

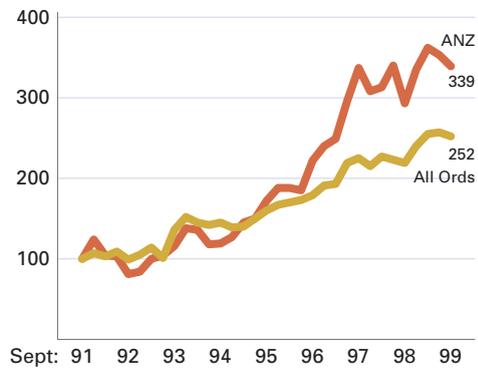


SHAREHOLDERS



Shareholders at the Annual General Meeting in December 1998.

Sharemarket Accumulation Index



- Total shareholder return of 19.6% during year (16.2% for broader market)
- \$814 million dividends (8% increase)
- 35,000 new shareholders
- 28,000 staff shareholders
- Revamped Shareholder Privilege Package
- Franking increased

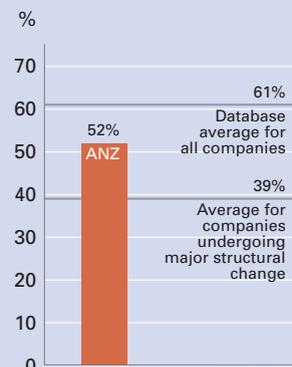
STAFF



Diane Basham, Continuous Improvement and Quality Assurance

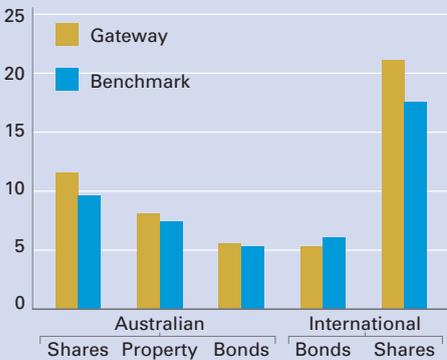
- 30,171 employees
- \$1,732 million in personnel expenses
- Introduced new online training courses to enable staff self-development
- Revitalised the graduate recruitment program: 170 graduates recruited in Australia
- Introduced sales incentive schemes for front-line sales staff
- Introduced a program to develop key talent for executive positions

Overall Satisfaction Level from Staff Survey July 1999



Gateway Performance

% Return since launch 1 January 1998



- Premier Banking launched in Australia and New Zealand
- Launch of anz.com – over 100,000 customers registered for Internet Banking
- Online share trading launched through alliance with E*TRADE Australia
- 11 new Premier branches opened

CUSTOMERS



Denise Pearson, Sales Consultant at one of our new look Premier suites with ANZ customer.

COMMUNITY

- \$676 million tax expense
- \$1,562 million in non personnel expenses
- No branch closures in rural areas
- \$1 million donations
- ANZ staff involved in community projects – Foodbank, Youth at Risk, Camp Quality, Down Syndrome Association of Victoria
- ANZ Foundation activities broadened

ANZ staff help out at Foodbank Victoria's distribution centre in Melbourne. From left Sonny Loo, Caroline Seletto, Rouben Karakachian, David Stewart and Sharon Bull of Head Office, Melbourne.



PERSONAL FINANCIAL SERVICES

accelerating growth

Comprises: Consumer and Small Business Banking Products, Mortgages, Funds Management, Insurance, Personal e-Commerce, Cards and Distribution.

4 million Customers (three million in Australia, one million in New Zealand)

961 Points of representation (808 in Australia, 153 in New Zealand)

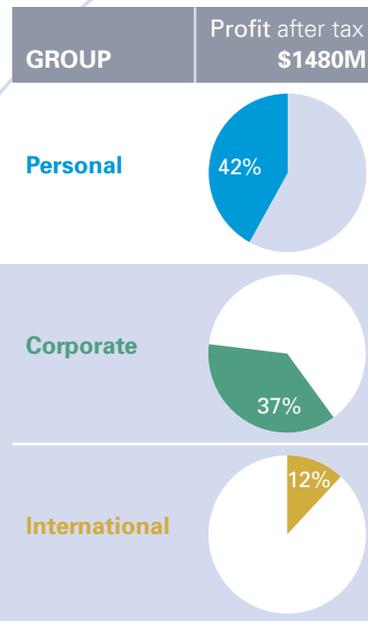
1,343 ATMs (987 in Australia, 356 in New Zealand)

48,138 EFTPOS terminals (34,886 in Australia, 13,252 in New Zealand)



Scott Blunden,
Chirnside Park, Victoria

- 13% home loan market share in Australia, up 1%
- Home Loan Bank of the Year
- 100,000 Internet customers registered
- Leader in credit cards
- Town & Country integrated
- 11 new Premier branches opened
- New scheme to reward sales staff introduced



CORPORATE FINANCIAL SERVICES

building on a leading position

Comprises: Business Banking, ANZ Investment Bank, ANZ Asset Finance, Asset Management and Corporate e-Commerce



Tony Marinelli,
Business Banking

- Leading corporate bank in Australia and New Zealand with 81,000 customers
- Reduced risk exposure in Business Banking and ANZ Investment Bank
- Exited capital markets business in London
- *Risk Magazine* – ANZ equal first in Australian Dollar Currency Options (worldwide)
- No. 1 Adviser and Arranger for Project Finance deals in South Asia in *Project Finance Magazine*
- Significant efficiency gains in Esanda and UDC
- Established investment management division
- FX Online and eGate payments gateway launched

INTERNATIONAL

simplify and focus

Comprises: ANZ's international network in 33 countries including ANZ Grindlays

1 million Customers

186 Points of representation

40 ATMs

715 EFTPOS terminals

- Leading bank in the Pacific
- Won Best Foreign Bank in India - *Euromoney* award
- Rebalancing the mix of activities and country positions to reduce risk
- Acquired 10% stake in Panin Bank, Indonesia with option to acquire further 18%
- Closed representative offices in Latin America

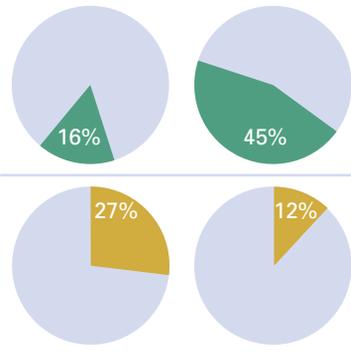


Sharon Yu and Joe Guo of Shanghai

Staff	Assets
30,171	\$149B



Charts exclude central items and discontinued businesses



TECHNOLOGY

building competitive advantage through technology

Comprises: Technology, e-Commerce and Payments

- Year 2000 system repairs and all major testing phases completed
- Designed and implemented a new e-Commerce platform
- Substantial progress made in the rollout of ANZ's internal web-infrastructure
- Converted New Zealand to ANZ core systems platform and transferred processing to Australia

- New foreign exchange and money markets trading system implemented in Australia and Singapore
- Continued implementation of the Commercial Banking System in our International network
- Town & Country integrated to ANZ core platforms
- First online Board meeting
- Reduced staff turnover substantially



Deslin Foster, Internet Banking

CHAIRMAN'S REPORT

Dear Shareholders

It has been a good year for the Bank with substantial progress in improving our performance and in implementing our focused strategy.

The profit of \$1,480 million is a record for the company. Earnings per share increased by 17% to 90.6 cents. Costs have been lowered and risks have been reduced. The management and staff are to be complimented on this result.

Directors are pleased to be able to increase the annual dividend by 8% to 56 cents per share. Franking was increased to 75% for the interim dividend and 80% for the final dividend. Franking was 60% in the previous year. ANZ expects to increase the level of franking again in the current year.

There have been two changes on the Board during the year with the retirements of an Executive Director, John Ries on 18 December 1998 and of a long standing non-executive Director, Colin Harper on 30 September 1999. Mr Ries retired after 38 years employment with ANZ during which period he held many senior positions, rising to the position of Executive Director. Mr Harper served the Board with distinction for 23 years. We thank both gentlemen for their contributions and wish them well in their retirement.

It is particularly pleasing to report that since the last Annual General Meeting over 28,000 employees have become shareholders following the introduction of the new Employee Share Scheme. Directors believe it is in the interests of the Bank to have employees as shareholders as it further aligns their interests with those of all shareholders.

Looking forward there are clearly further challenges. One of these is the transition to the new millennium. We are well prepared in our own operations for Y2K and remain comfortable that the event will proceed smoothly, although we are mindful that we are dependent on the external infrastructure around us operating normally. Another challenge is the improvement of our technology and our drive to be a leading player in e-Commerce. We also have many programs under way that will deliver better performance on our existing activities.

Overall the Group is in a strong capital position and since year end we have announced an on market ordinary share buyback of up to \$500 million as the first step in addressing our surplus capital. We have put in place an excellent management team. This, along with the clarification of strategy, provides a greater sense of direction and provides a strong foundation for ANZ to continue to perform and deliver value to shareholders.

Charles Goode

Charles Goode
Chairman





John McFarlane and Charles Goode online at the Board meeting.

CORPORATE GOVERNANCE

ANZ was the first listed company in Australia to move to ‘online’ Board meetings. Information is provided to Directors via a secure website.

Experienced Balanced Board

- Seven non-executive Directors and Chief Executive Officer
- Wide range of business backgrounds – see pages 20 and 21 for Directors’ details
- Retirement age 70, Directors appointed after 1993 will retire after 15 years service
- Directors elected by shareholders every three years

Effective Committee Structure

- Four main committees covering Audit, Risk, Strategy and Human Resources
- Separate Nominations Committee
- Regular meetings, more than 60 in 1999
- Chaired by non-executive Directors
- Details on page 31

Good Corporate Governance

Board of Directors to

- Chart direction of Group
- Monitor management’s performance
- Ensure regulatory and ethical standards are met
- Appoint Chief Executive Officer

Ethical Standards

- Non-executives ‘independent’ – not substantial customers/suppliers nor past executives
- Non-executive Chairman
- Directors must hold 2000 shares (page 31) – restrictions on share trading
- Code of Conduct covers conflict of interest procedures
- Indemnity for Directors

Active Participation

- 11 board meetings per year
- Annual strategy review
- Regular Business Unit presentations
- Open access to information including independent expert advice at company’s expense
- Regular meetings with staff and visits to branches and offshore operations

CHIEF EXECUTIVE OFFICER'S REPORT

Strong results and strategic progress in 1999

'The 1999 result at ANZ demonstrates a commitment to delivering value for our shareholders. With earnings per share growth of 17%, we are now delivering good earnings momentum. Risks and costs have been reduced. Australia and New Zealand both showed much higher than trend growth, with the strongest performance in Personal Financial Services, which now accounts for 42% of Group earnings.'

'We have enunciated a clear strategy to deliver superior returns for our shareholders. Let me outline it and the progress we have made this year in each of the key areas.'

Strategic Plans	Strong Progress in 1999
<p>Improve performance to deliver Economic Value Added (EVA™) by:</p> <ul style="list-style-type: none"> • Reducing costs and risks • Turning around sub-optimal segments, particularly in International • Optimising our capital structure 	<p>performance</p> <ul style="list-style-type: none"> • EVA™ increased in all major business segments • Costs down 4%, cost income ratio 55.0% • International exposures reduced • Gross and net non-accrual loans have been stabilised • Trading risk has been reduced significantly
<p>Re-balance the strategic business mix by:</p> <ul style="list-style-type: none"> • Accelerating growth in Personal Financial Services • Building on our strong position in Corporate Financial Services • Simplifying and focusing our International business • Building a leading e-Commerce business • Withdrawing from all high-risk and non-core segments 	<p>business mix</p> <ul style="list-style-type: none"> • Domestic markets 84% of earnings • Personal Financial Services 42% of Group earnings • Funds Management and banking integrated in Personal Financial Services • Withdrawn from the higher risk investment banking segments • Over 100,000 customers registered on anz.com Internet banking • ANZ E*TRADE commenced operation in October 1999
<p>Leverage technology as a competitive advantage, particularly utilising web-based systems</p>	<p>technology</p> <ul style="list-style-type: none"> • New Zealand system processing moved to Australia • Y2K preparations complete • Town & Country integration • Rollout of Commercial Banking System to international network
<p>Improve the customer experience</p>	<p>customer experience</p> <ul style="list-style-type: none"> • Leader in customer satisfaction for Business Banking • Premier Banking launched
<p>Build a strong management team and create an environment where people excel</p>	<p>people</p> <ul style="list-style-type: none"> • Young high calibre senior management team • Developing performance orientated culture • New programs to identify and develop key talent have been introduced

Looking forward

‘While we have made good progress in 1999 there is more to be done. We remain committed to the same strategic priorities. However, there are some specific aspects that will be given particular focus in 2000.

‘With respect to the outlook for the year 2000, we have set ourselves performance targets to outperform peers. Plans are in place to achieve this.’



John McFarlane
Chief Executive Officer

Looking Forward to 2000	
<p>performance</p> <ul style="list-style-type: none"> • Achieve a 53% cost income ratio in 2000 • Making progress towards our return on equity of 20% target • Improve the asset quality in International businesses • Implement stretch performance disciplines throughout the Group • Implement buyback 	
<p>business mix</p> <ul style="list-style-type: none"> • Focus on Premier and Small Business segments and retail funds management • Improve the asset mix and return in Corporate Financial Services • Complete the strategic re-positioning of our International business • Achieve a leading domestic market position in both consumer and business e-Commerce 	
<p>technology</p> <ul style="list-style-type: none"> • Successfully manage the Y2K transition • Complete rollout of data communication network to branches • Manage introduction of GST 	
<p>customer experience</p> <ul style="list-style-type: none"> • Improve customer experience in Personal Financial Services • Extend availability of Premier banking 	
<p>people</p> <ul style="list-style-type: none"> • Act on staff survey • Make incentive remuneration available to all staff • Actively manage development of key talent 	

Earnings and Dividends per Share Up



Earnings Performance¹

- Earnings per share 90.6 cents; up 17% (1998 – 77.2 cents)
- Dividends per share 56 cents; up 8% (1998 – 52 cents)
- Payout ratio 62% (1998 – 68%)
- Franking 75% interim, 80% final (1998 – 60%)

¹ Before abnormals

Profit After Abnormals Up



Operating Profit after Tax

- Operating profit \$1,480m (1998 – \$1,106m)
- Operating profit before abnormals \$1,480m (1998 – \$1,175m)
- No abnormal items (1998 – \$69m negative)
- Net income up 6%, expenses down 4% and provisions up 5%
- Profit assisted by replacement of debt funding with issue of preference shares and accounting change on treatment of software

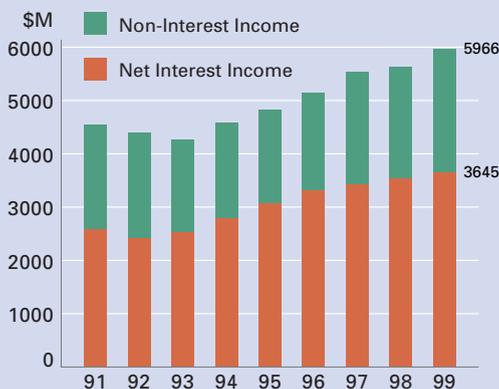
Increased Profit from Personal Banking



Business Unit Performance

- Personal up 33% – with strong mortgage growth, increased non-interest revenue and reduced costs
- Corporate up 17% – strong asset growth in Australia, reduced activity in London
- International down 20% – reflecting increased non-accrual loans, reduced assets, and lower foreign exchange earnings
- Other – asset and liability management, earnings on central capital funds and the discontinued businesses including the London capital market activity which incurred losses of \$87m in 1998

Solid Income Growth



Operating Income

- Net interest income up 3% – loan growth of 13% in Australia (mortgage growth 18%), with stable margins (helped by preference share issue)
- Non-interest income increased 11% reflecting strong fee growth and good foreign exchange earnings (albeit down on 1998's record level) and reversal of 1998 London trading losses

Operating Expenses

- Expenses were 4% lower than 1998 (2% lower excluding accounting changes). Personnel and premises costs were reduced reflecting lower staff numbers. Investment in e-Commerce and Y2K activity led to slightly higher computer expenses
- Cost income ratio reduced to 55%
- Management cost income ratio target 53% in 2000
- Introduction of GST on 1 July 2000, will add approximately \$40 million (annualised) to cost base.

Asset Quality

- Net non-accruals reduced by 27% to \$657m
- Gross non-accruals reduced by 7% to \$1,543m
- Problem areas remain China and Middle East
- Specific provision cover is 57% for Group, 68% for overseas markets

Doubtful Debts

- General provision credited with \$510m using Economic Loss Provisioning (ELP) reflecting 9% average net lending growth and improved asset quality
- Specific Provisioning (SP) drawdown \$482m including:
 - \$113m Asia (mostly China), \$26m South Asia
 - \$118m Middle East, \$38m in Europe
 - \$179m Australia and New Zealand
- General provision has surplus of approximately \$428m over the Australian Prudential Regulation Authority guideline

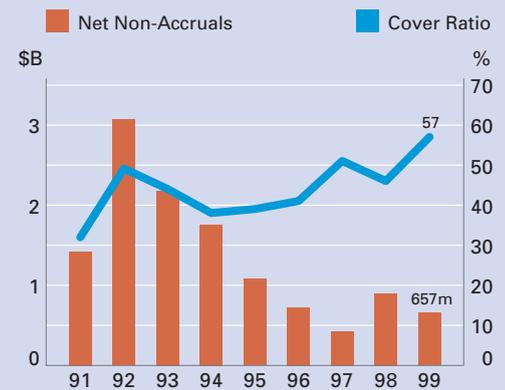
Balance Sheet

- Steady balance sheet assets but improvement in mix
- Strong lending growth particularly of mortgage lending in Australia (18%) and New Zealand (10%) and corporate lending in Australia (12%)
- Lower wholesale assets particularly in Interbank in London and in Asia
- Announced on market ordinary share buyback of up to \$500m
- New Zealand tracking stock issue planned

Cost Income Ratio Lower



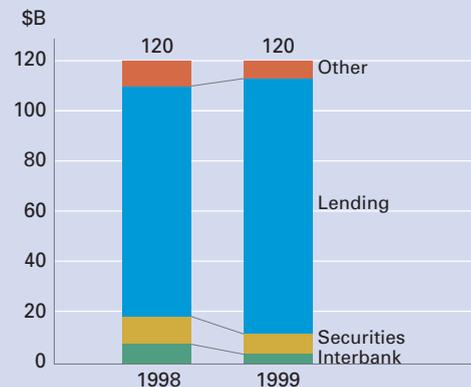
Non-Accrual Loans Stabilised



General Provision Surplus Maintained



Business Mix Re-focused Interest Earning Assets





Stephen Earle,
420 St Kilda Road,
Melbourne

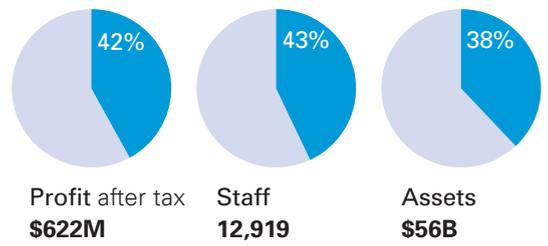
PERSONAL accelerating growth

Personal Financial Services provides a full range of financial services to around three million personal and small business customers in Australia and around one million in New Zealand. It comprises Consumer and Small Business Banking Products, Mortgages, Funds Management, Insurance, Personal e-Commerce, Cards and Distribution.

Personal Financial Services has been reorganised around customer segments and products to enable delivery of differentiated service propositions.

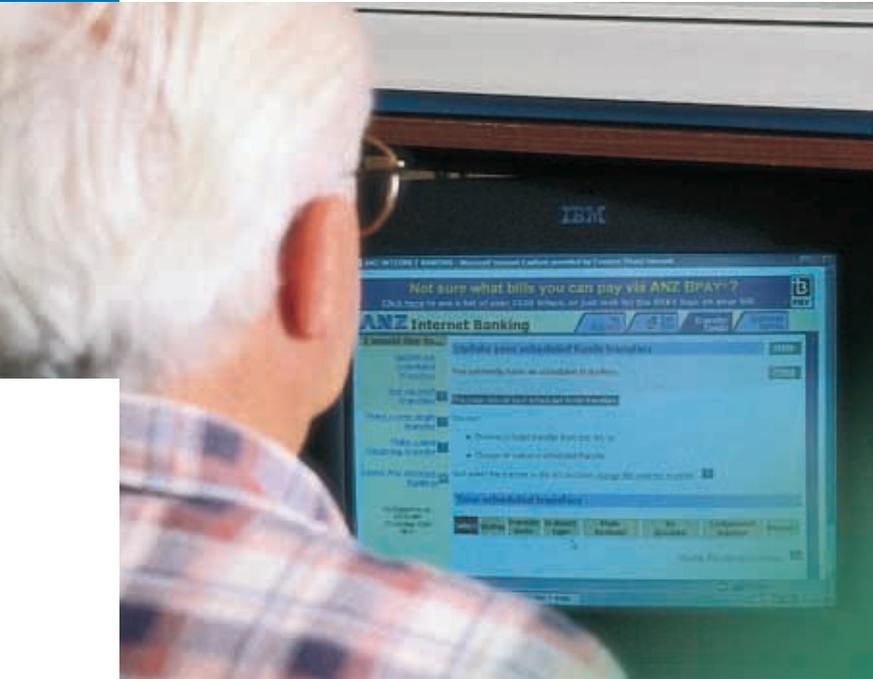
Financial Outcomes

- Profit rose from \$466m to \$622m
- Cost income ratio fell from 69.9% to 62.9%
- Strong sales growth reflecting the introduction of sales incentive scheme for front line staff



Business Outcomes

- Won the *Personal Investor* Home Loan Bank of the Year for 1999 and runner-up Bank of the Year following wins in 1997 and 1998
- Gained further market share in housing lending both organically and through acquisition of the home loan book of the Primary Industry Bank of Australia
- Opened new look branches with dedicated space for Premier customers following a successful pilot in Tasmania
- Launched Internet Banking in April 1999; more than 100,000 customers have registered



ANZ customer enjoying the benefits of Internet Banking

- \$3 billion funds under management in the Gateway Investment Program with four out of five investment categories exceeding benchmark returns
- Retained cards market leadership position with ANZ cards share of credit card purchases up from 25% to 27%
- Announced a strategic alliance with E*TRADE Australia in June to deliver on-line broking services to personal customers; ANZ could take up to 40% shareholding in E*TRADE Australia

Objectives

- Build market position by providing integrated personal financial services particularly through growth in funds management and insurance
- Deliver differentiated service propositions
- Build strong product businesses
- Continue intense focus on cost management
- Build a leading e-Commerce capability

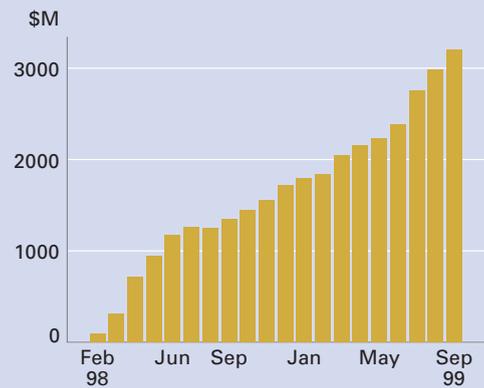
Share of Housing Lending



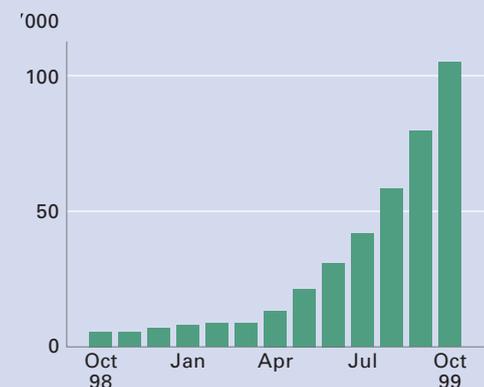
Share of Credit Card Purchases



ANZ Gateway Funds Under Management



Internet Banking Registrations





Sarah McMahon,
Tony Evans, Adrienne
Sartori and Andrew
Lourie of Melbourne
Corporate

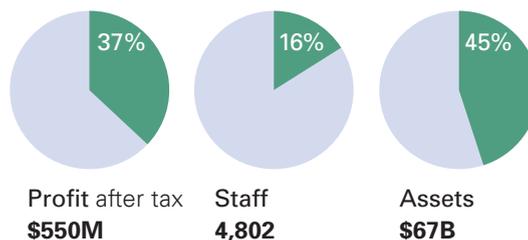
CORPORATE

building on a leading position

ANZ is the market leader in corporate banking in Australia and New Zealand. Corporate Financial Services serves 81,000 corporate customers in Australia and New Zealand. It includes Business Banking, ANZ Investment Bank, ANZ Asset Finance, Asset Management and Corporate e-Commerce.

Financial Outcomes

- Profit rose from \$472 million in 1998 to \$550 million
- The cost income ratio fell from 51.5% to 47.3%

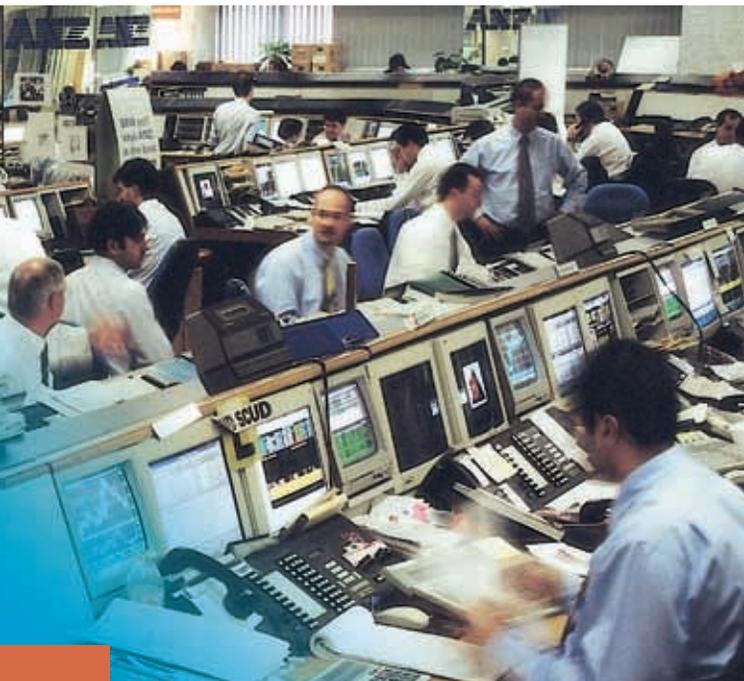


Business Outcomes

- Maintained leadership in Business Banking market share and customer satisfaction while increasing profitability and reducing risk
- Completed restructure of investment banking activities including closure of London capital markets businesses to focus on key domestic markets
- *Risk Magazine* – ANZ equal first in Australian Dollar Currency Options (worldwide)
- Achieved significant efficiency improvements in Esanda in Australia and UDC in New Zealand by using technology to build on leadership positions in auto finance
- Created a new division to focus ANZ's investment management business

Objectives

- Build on our strong position in the corporate sector to grow fee-based services, continue to reduce risk and improve return on assets
- Leverage leadership position in online business to business e-Commerce and exploit new opportunities including migration to web platforms
- Deepen relationships with business customers to include greater provision of allied financial services such as superannuation and personal banking services to employees

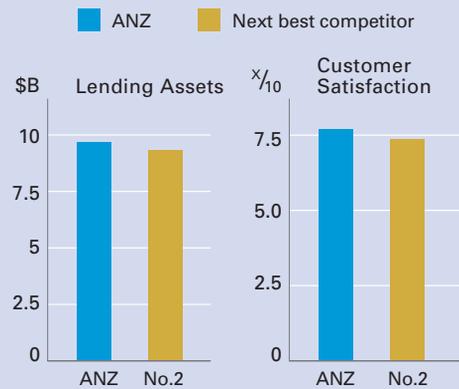


ANZ Melbourne Dealing Room

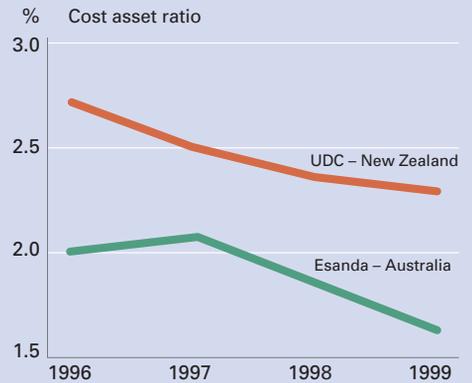


ANZ won Best Bank in Australia in 1999 Global Finance Survey

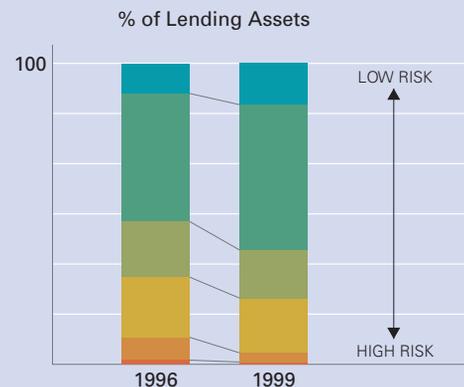
Leading Business Bank



Re-engineering Reduces Finance Company Costs



Australian Risk Profile



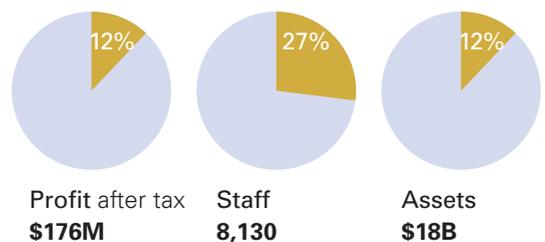


INTERNATIONAL simplify and focus

The International division provides financial services including consumer finance, trade finance, structured finance and foreign exchange through ANZ's international network in 33 countries outside Australia and New Zealand and the money centres of Europe and New York. It includes services to high net worth individuals through Grindlays Private Bank.

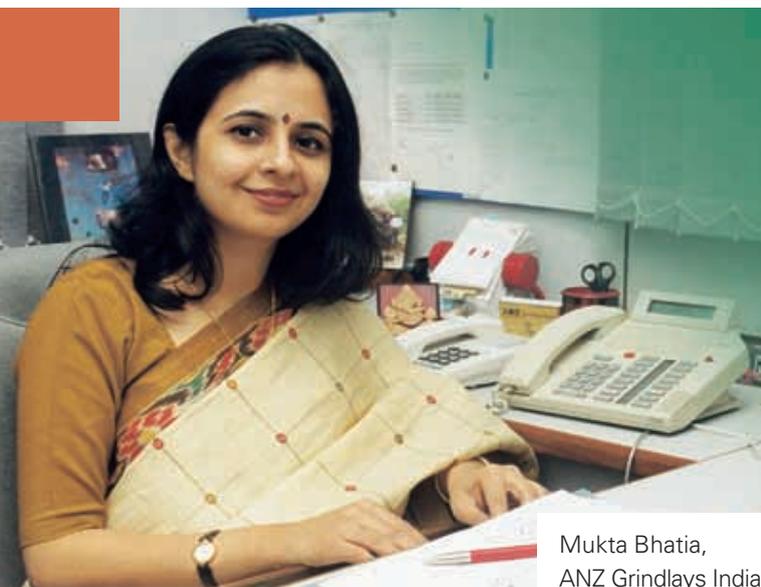
Financial Outcomes

- Profit declined from \$220 million in 1998 to \$176 million
- The fall in profit reflects higher non-accrual loans, reduced assets resulting from a lower risk profile, and lower foreign exchange earnings
- The cost income ratio increased from 51.4% to 54.7%



Business Outcomes

- Reduced Asian exposures from US\$6.1 billion to US\$5.6 billion
- Won Best Foreign Bank in India in the *Business Asia* awards
- Acquired a 10% stake in Panin Bank in Indonesia with an option to increase the holding to 28%
- Acquired credit card operation in Indonesia
- Took the first steps in simplifying international network with the closure of five Latin American representative offices – services are now provided from ANZ New York



Mukta Bhatia,
ANZ Grindlays India

Objectives

- Simplify and focus the international network by targeting fewer countries but building a stronger presence in those countries
- Continue to reduce the risk of activities undertaken by rebalancing the business mix towards consumers and maintaining strong lending policies
- Create future growth options, only where it creates a desired position and can be managed

Key International Markets

Grindlays – Strong foreign bank position

- Grindlays South Asia
- Grindlays Middle East
- Grindlays Private Bank
- More than 110 branches
- 1–10% market share

Pacific – Leading domestic position

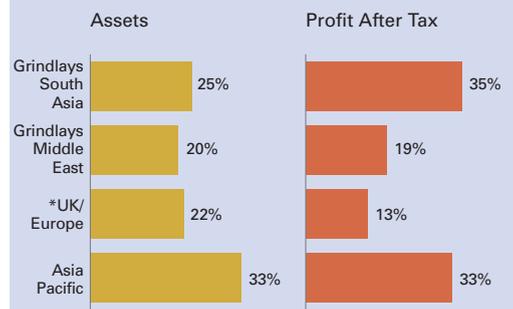
- South Pacific well covered
- More than 30 branches
- 20–60% market share



Asia – Future positions

- South East Asia – target domestic positions
 - Indonesia, Philippines, Malaysia, Thailand
- Network Money Centre Points
 - Japan, Korea, Singapore, Hong Kong
- Maintain for future growth
 - China, Vietnam, Taiwan

Distribution of Business 1999



*Includes Grindlays Private Bank and structured finance



TECHNOLOGY e-COMMERCE & PAYMENTS

building competitive advantage through technology

This division oversees technology and e-Commerce strategy, policy and infrastructure and manages the payments business.

Business Outcomes

- Developed a completely new, high capacity e-Commerce platform including servers, firewalls and networks
- Launched a world class internet banking system for Australia in April and New Zealand in September
- Web-enabled a large portion of ANZ's workforce via network upgrades and desktop deployment of Windows NT. This project continues
- Converted our New Zealand business to ANZ's Tasman platform enabling New Zealand transactions to be processed in Australia
- Implemented the Commercial Banking System, ANZ's standard technology platform for its international network, in India and Sri Lanka. CBS now operates in 15 countries with Pakistan to be completed this financial year
- Converted Town & Country business to ANZ banking platforms
- Implemented systems changes to support the Euro, the single European currency, across 37 countries

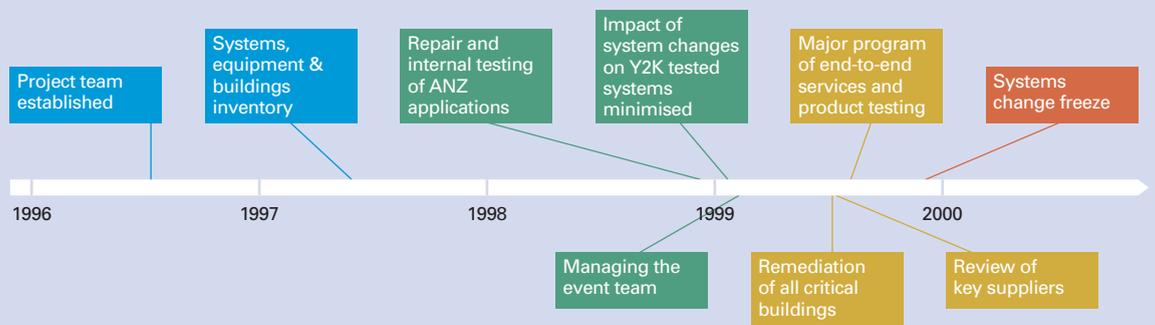
Objectives

- Build a leading position in e-Commerce
- Expand the range of offerings available through the ANZ web site beyond financial products
- Move towards browser-based front-end systems

Year 2000 Preparations Customer Deposits and Account Records are Safe

- Budgeted \$183 million for total capital and operating cost of the Year 2000 project for the period until April 2000 and expect to complete the project within budget
- Completed remediation and testing for all ANZ's buildings where necessary
- Completed a major program of end-to-end testing of ANZ products and services, both within ANZ and with external parties such as other banks, financial industry regulators and service providers
- Revised business continuity plans to take Year 2000 issues into account

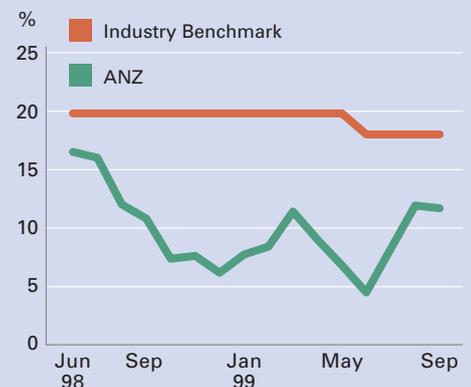
- Established a process to minimise the impact of system changes and new developments on Year 2000 tested systems, while balancing the need for business innovation to retain competitiveness
- Established a 'Managing the Event' team to co-ordinate ANZ's activities during the transition to 2000
- Introduced a systems change freeze during the latter part of 1999 to protect the integrity of all our systems
- Communicated with customers to assure them that ANZ is managing the issue and to provide information to assist in their own preparations



Vicky Adorno,
Australian Call Centre

IT staff turnover reduced – a critical factor in project delivery.

IT staff turnover





Mr C B Goode

B Com (Hons) (Melb), MBA (Columbia University, New York)
 Chairman
 Company Director.
 Director since July 1991, appointed Chairman August 1995. Chairman of Woodside Petroleum Ltd. Director of CSR Limited, Singapore Airlines Limited, Queensland Investment Corporation and other companies.
 Lives in Melbourne. Age 61.

Mr J McFarlane oBE

MA, MBA, MSI, FRSA, FHKIB, FAIBF
 Chief Executive Officer.
 Appointed Group Managing Director and Chief Executive Officer in October 1997. Director of Australian Graduate School of Management and The Financial Markets Foundation for Children. Former Group Executive Director, Standard Chartered plc (1993-1997), Head of Citibank, United Kingdom (1990 - 1993), Managing Director, Citicorp Investment Bank Ltd (1987 - 1990), Director London Stock Exchange (1989-1991).
 Lives in Melbourne. Age 52.

Mr J K Ellis

MA (Oxon) FAICD, Hon FIE Aust, FAusIMM, FTSE
 Company Director.
 Director since October 1995. Chairman of Sandvik Australia Pty Ltd, Australia-Japan Foundation and Australian Minerals & Energy Environment Foundation. Director of Aurora Gold Limited and Pacifica Group Limited. Chancellor of Monash University. Council Member, Victorian College of the Arts. Former Chairman, The Broken Hill Proprietary Co Ltd, International Copper Association Ltd and Board Member of the Museum of Contemporary Art.
 Lives in Melbourne. Age 62.

Dr B W Scott AO

B Ec, MBA, DBA
 Company Director.
 Director since August 1985. Chairman of Management Frontiers Pty Ltd, W.D. Scott International Development Consultants Pty Ltd, Television Makers Pty Ltd and The Foundation for Development Co-operation Ltd. Chairman and Counsellor of the Australian Simon University. Director of Air Liquide Australia Ltd and the James N. Kirby Foundation Ltd. Australian member of the Board of Governors of the Asian Institute of Management and Chairman of the Australia-Korea Foundation. Former Chairman of the Australian Government's Trade Development Council (1984 - 1990). Former Federal President, Institute of Directors in Australia (1982 - 1986).
 Lives in Sydney. Age 64.

Mr C J Harper

CA (Scots)
 Company Director.
 Director since October 1976. Chairman of CSL Ltd. Former General Manager and Chief Executive of the merchant bank Australian United Corporation Ltd (1968 - 1976) and since then a professional non-executive director. Inaugural National Vice President of The Australian Institute of Company Directors.
 Lives in Melbourne. Age 68.
 Retired September 1999.



Dr R S Deane

PhD, B Com (Hons), FCA, FCIS, FNZIM
Company Director.

Director since September 1994. Chairman of Telecom New Zealand Limited and TransAlta New Zealand Limited. Inaugural Chairman of New Zealand Seed Fund Management Limited (Auckland UniServices Limited). Director of Fletcher Challenge Limited, Fletcher Challenge Industries Limited, IHC Mortgages Ltd, The Centre for Independent Studies Ltd and Institute of Policy Studies, Victoria University, Wellington and Business Roundtable. Formerly Chief Executive and Managing Director, Telecom New Zealand Limited, Chief Executive, Electricity Corporation of New Zealand Ltd, Chairman State Services Commission, Alternate Executive Director, International Monetary Fund and Deputy Governor, Reserve Bank of New Zealand.

Lives in Wellington, New Zealand.
Age 58.



Mr J C Dahlsen

LLB, MBA (Melb)
Solicitor and Company Director.

Director since May 1985. Consultant to and former Partner of the legal firm Corrs Chambers Westgarth. Chairman of Woolworths Ltd and Melbourne Business School Ltd, Director of Southern Cross Broadcasting (Australia) Ltd, Mining Project Investors Pty Ltd, The Smith Family and J. C. Dahlsen Pty Ltd Group. Former Chairman of The Herald and Weekly Times Ltd and Deputy Chairman Myer Emporium Ltd.
Lives in Melbourne. Age 64.

Mr G K Toomey

B Com, FCPA, FCA, FCIS
Director, Qantas Airways Limited
Director since March 1998. Deputy Chief Executive Officer of Qantas Airways Limited. Director of a number of controlled entities as well as holding a wide range of executive responsibilities in the Qantas Group. Director of Air Pacific Limited.
Lives in Sydney. Age 44.

Ms M A Jackson

MBA, B Econ, FCA
Company Director.
Director since March 1994. Chairman of Transport Accident Commission (Victoria) and the Playbox Theatre Company Pty Ltd and Malthouse Pty Ltd. Director of The Broken Hill Proprietary Co Ltd, Pacific Dunlop Ltd, Qantas Airways Ltd and other companies. Director of The Brain Imaging Research Foundation. Board Member of Howard Florey Institute of Experimental Physiology and Medicine.
Lives in Melbourne. Age 46.

GROUP EXECUTIVE



John McFarlane
Chief Executive Officer

EXECUTIVE COMMITTEE



Peter Marriott
Chief Financial Officer



Peter Hawkins
Personal Financial Services



Roger Davis
Corporate Financial Services



David Boyles
Chief Information Officer

PERSONAL FINANCIAL SERVICES



Larry Crawford
Australasian Distribution



Kathryn Fagg
Banking Products



Brian Hartzler
Cards



Greg Camm
Mortgages

CORPORATE FINANCIAL SERVICES



Bob Edgar
Business Banking



Grahame Miller
Investment Banking



Peter McMahon
Asset Finance

INTERNATIONAL



Elmer Funke Kupper
International

CORPORATE CENTRE



Elizabeth Proust
Corporate Affairs and
Human Resources



Alison Watkins
Strategy and
Brand Management

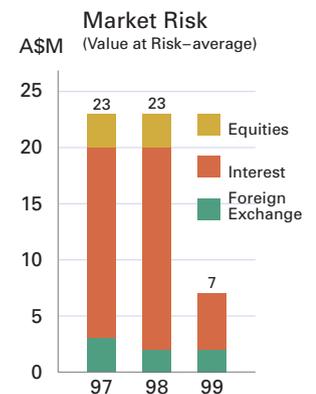
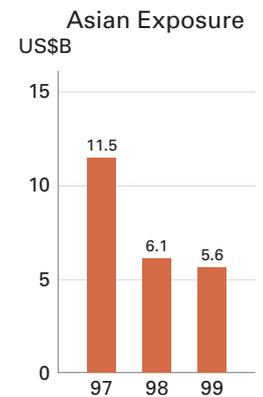


Mark Lawrence
Risk Management

The identification and management of risk is an essential part of banking.

Risk management policies are approved by the Board with the Board Risk Management Committee supervising implementation and adherence to policy.

RISK	RESPONSE
<p>Credit Risk</p> <p>The potential financial loss resulting from the failure of a customer to honour fully the terms of a loan or contract</p> 	<ul style="list-style-type: none"> • Policy controls aimed at developing and maintaining a well diversified credit portfolio are supervised by Board Risk Management Committee. • Major lending decisions require sign-off from an independent credit area as well as the business area. The largest transactions require approval by the Credit and Trading Risk Committee or Risk Management Committee. • Rebalancing portfolio towards lower risk consumer credit. • Main area of concern is international cross border lending, particularly Asia – new lending guidelines introduced, exposures reduced and focus now on trade, multinational corporations and consumers. Domestically, industry concentrations reduced.
<p>Market Risk</p> <p>Risk to earnings arising from movements in interest and exchange rates and bond, equity and commodity prices</p> 	<ul style="list-style-type: none"> • The Group Asset and Liability Committee oversees the Group's balance sheet risk – trading risk is monitored by the Credit and Trading Risk Committee. • Main area of concern was proprietary trading – London business exited, institutional stockbroking closed, remaining activity in foreign exchange and derivatives is mainly customer related flow trading.
<p>Operating Risk</p> <p>Operating risk arises from the potential breakdown of day-to-day processes</p> 	<ul style="list-style-type: none"> • Prime responsibility of Business Units is to ensure compliance with policies, regulations and laws. • The Operating Risk Executive Committee is responsible for development and oversight of operating risk policies. • Main areas of concern are payments fraud and international.
<p>Year 2000</p> <p>Unique event which notwithstanding a \$183 million program may still adversely impact the Bank</p>	<ul style="list-style-type: none"> • ANZ has spent significant time and effort to ensure our systems and processes will continue to operate as usual. • Processes are in place to assess and minimise counterparty credit risks but losses are still possible. • This is uncharted territory and there is therefore a small but significant risk that issues outside our control may arise.



Detailed information on Risk Management is contained on pages 74 and 75 of the Financial Statements



COMMUNITY INVOLVEMENT

Esanda is a major sponsor of junior rugby clinics in New South Wales and Queensland.

ANZ is strongly involved with the communities in which it operates through the ANZ Staff Foundation, Foodbank, direct donations and sponsorships.

ANZ Staff Foundation

- The ANZ Staff Foundation was relaunched in July with a new logo and ANZ CEO John McFarlane as Patron.
- The Foundation is a charitable trust that is funded by contributions made by ANZ and its staff. Staff participation in community work is co-ordinated through the Foundation.
- The Foundation donated a total of \$150,000 to various groups including:
 - Youth At Risk Australia
 - Wimmera Community Care (Victoria)
 - LEPSH (South Australia)
 - Australian National Committee of Refugee Women (NSW)
 - Mandurah Job Link (Western Australia)
 - Fusion Australia (Queensland)
 - Devonfield Enterprises (Tasmania)



Foodbank

- ANZ is a major sponsor of Foodbank (\$150,000) which provides food for 18,000 people a day across Australia (see page 3).

Other Charitable Donations and Sponsorships

- Other ANZ donations include:
 - \$10,000 to the CFA Volunteer Firefighter Appeal – ANZ branches also collected donations from the community
 - \$10,000 to the Kosovo Appeal
- ANZ sponsorships include:
 - the Community Award Category of the National Multicultural Marketing Awards organised by the Multicultural Affairs Commission of NSW
 - 1999 Chinese New Year Festival
 - 1999 Vietnamese New Year Festival

Political Donations

- In Australia in the year to September 1999, ANZ donated \$100,000 to the Liberal Party, \$30,000 to the Australian Labor Party and \$20,000 to the National Party of Australia.

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The 1999 Concise Financial Report has been derived from the Group's 1999 Financial Statements. 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 1999 Financial Statements.

The Chief Financial Officer's Review on pages 10 to 11 provides a discussion and analysis of the financial statements.

1999 Financial Statements

A copy of the Group's 1999 Financial Statements, including the independent Auditors' Report, is available to all shareholders, and will be sent to shareholders without charge upon request. The financial statements can be requested by telephone (Australia: **1800 11 33 99**, Overseas: **61 3 9667 7128**) and by internet at investor.relations@anz.com or viewed directly on the Internet at www.anz.com

Ten Year Summary¹

	1999 \$M	1998 \$M	1997 \$M	1996 \$M	1995 \$M	1994 \$M	1993 \$M	1992 \$M	1991 \$M	1990 \$M
Profit and loss										
Net interest income	3,645	3,547	3,437	3,327	3,084	2,794	2,539	2,427	2,587	2,456
Other operating income	2,321	2,099	2,110	1,839	1,754	1,793	1,730	1,990	1,964	1,675
Operating expenses	(3,294)	(3,438)	(3,502)	(3,397)	(3,116)	(3,001)	(2,975)	(3,199)	(3,035)	(2,739)
Operating profit before tax, debt provision and abnormals	2,672	2,208	2,045	1,769	1,722	1,586	1,294	1,218	1,516	1,392
Debt provision	(510)	(487)	(400)	(175)	(237)	(388)	(637)	(2,127)	(1,062)	(796)
Income tax (expense) benefit	(676)	(537)	(466)	(469)	(442)	(388)	(190)	336	(184)	(183)
Outside equity interests	(6)	(9)	(8)	(9)	(10)	(7)	(7)	(5)	(4)	(1)
Operating profit (loss) after tax before abnormals	1,480	1,175	1,171	1,116	1,033	803	460	(578)	266	412
Net abnormal (loss) profit	–	(69)	(147)	–	19	19	(213)	(1)	1	(191)
Operating profit (loss) after tax	1,480	1,106	1,024	1,116	1,052	822	247	(579)	267	221
Balance Sheet										
Assets	149,007	149,720	138,241	127,604	112,587	103,874	103,045	101,138	98,212	99,300
Net Assets	9,429	8,391	6,993	6,336	5,747	5,504	5,133	4,591	5,018	4,323
Tier 1 capital ratio	7.9%	7.2%	6.6%	6.7%	6.6%	6.8%	5.9%	4.8%	6.0%	5.1%
Cost to income ratio ²	55.0%	60.9%	63.1%	65.8%	64.4%	65.4%	69.7%	72.4%	66.7%	66.3%
Return on average ordinary equity ³	17.2%	14.6%	14.8%	18.3%	17.9%	15.6%	5.0%	-11.4%	5.8%	5.4%
Return on average assets ³	1.0%	0.7%	0.7%	0.9%	0.9%	0.8%	0.2%	-0.6%	0.3%	0.2%
Shareholder value - ordinary shares										
Total return to shareholders (share price appreciation plus dividends)	19.6%	-15.6%	62.4%	33.9%	52.4%	2.0%	47.2%	-19.6%	2.3%	-21.4%
Market capitalisation	16,045	13,885	17,017	10,687	8,199	5,293	5,285	3,037	3,904	3,884
Dividend	56.0c	52.0c	48.0c	42.0c	33.0c	25.0c	20.0c	20.0c	20.0c	38.0c
Franked portion										
– interim	75%	60%	100%	50%	0%	0%	0%	100%	100%	100%
– final	80%	60%	100%	100%	33%	0%	0%	0%	100%	100%
Closing share price										
– high	\$12.45	\$11.88	\$11.58	\$7.28	\$5.75	\$5.68	\$4.40	\$4.88	\$4.20	\$6.38
– low	\$8.58	\$8.45	\$7.10	\$5.41	\$3.55	\$3.78	\$2.53	\$2.87	\$2.92	\$3.95
– 30 Sep	\$10.25	\$9.02	\$11.28	\$7.23	\$5.67	\$3.91	\$4.04	\$2.88	\$3.83	\$4.00
Share information (per fully paid ordinary share)										
Earnings before abnormals – basic	90.6c	77.2c	78.4c	76.3c	68.5c	54.5c	30.8c	-60.1c	26.7c	45.0c
Earnings after abnormals – basic	90.6c	72.6c	68.6c	76.3c	69.9c	55.9c	13.5c	-60.2c	26.9c	24.2c
Dividend payout ratio (before abnormals)	62.1%	67.8%	61.6%	55.5%	49.1%	46.4%	65.6%	n/a	69.6%	79.9%
Net tangible assets	\$5.21	\$4.98	\$4.59	\$4.24	\$3.94	\$3.58	\$3.43	\$3.40	\$4.31	\$4.45
No. of fully paid ordinary shares issued (millions)	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	971.1
DRP issue price										
– interim	\$10.95	\$10.64	\$9.77	\$5.59	\$4.40	\$3.78	\$3.42	\$3.58	\$3.42	\$4.35
– final	–	\$10.78	\$9.92	\$7.60	\$6.27	\$3.73	\$4.44	\$2.51	\$4.46	\$2.72
Other information										
Points of representation	1,147	1,205	1,473	1,744	1,881	2,026	2,136	2,302	2,367	2,431
No. of employees (full time equivalents) ⁴	30,171	32,072	36,830	39,721	39,240	39,642	40,277	43,977	46,261	48,182
No. of shareholders	214,151	151,564	132,450	121,847	114,829	121,070	115,000	112,036	101,188	92,606

¹ 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

² Before goodwill amortisation of \$10 million and abnormals. Prior year amounts of goodwill amortisation were immaterial

³ After abnormals

⁴ Prior to 1997 excludes temporary staff

Directors' Report

The directors present their report for the year ended 30 September 1999. 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 instalment lending, life insurance, leasing, hire purchase and general finance, international and investment banking, investment and portfolio management and advisory services, nominee and custodian services, stockbroking and executor and trustee services.

There has been no significant change in the nature of the principal activities of the Group during the financial year, other than the closing of London capital markets operations and institutional stockbroking in October 1998.

At 30 September 1999, the Group had 1,147 points of representation.

Result

Consolidated operating profit after income tax and abnormal items attributable to members of the Company was \$1,480 million. Further details are contained in the Chief Executive Officer's Review and the Chief Financial Officer's Review commencing on pages 8 and 10 respectively of the 1999 Annual Report and these pages are incorporated in and form part of this report.

Dividends

The directors propose payment of a final dividend of 30 cents per ordinary fully paid share, partially franked to 80%, to be formally declared on 22 November 1999 and to be paid on 20 December 1999. The proposed payment amounts to \$470 million.

During the financial year, the following dividends were paid on fully paid ordinary shares (final dividend: partially franked to 60%; interim dividend: partially franked to 75%):

Type	Cents per share	Amount before bonus option \$m	Date of payment
Final	28	431	21 December 1998
Interim	26	404	5 July 1999

The final dividend for the year ended 30 September 1998 was paid on 21 December 1998 and detailed in the Directors' Report dated 9 November 1998.

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, Chief Executive Officer's Review and the Chief Financial Officer's Review, which are incorporated in and form part of this report.

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 10% from \$94,457 million to \$104,063 million, primarily from growth in mortgage lending and commercial lending in Australia and New Zealand.
- Deposits and other borrowings increased by 2% from \$94,599 million to \$96,559 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 increased from \$487 million to \$510 million, reflecting asset growth offset by an improved risk profile. Net specific provisions were \$482 million. Gross non-accrual loans decreased to \$1,543 million, or 1.5% of net loans and advances.
- On 19 November 1998 the Company issued 56,016,000 fully paid non-converting, non-cumulative preference shares for US\$6.25 per share. A further 4,000,000 preference shares were issued on 24 November 1998 for US\$6.25 per share. The issues of preference shares were for general banking purposes. These issues further strengthened the Group's capital base.
- The Group has announced that it plans to issue a new tracking stock equity instrument in New Zealand in the first quarter of 2000.

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

On 3 November 1999 the Group announced its intention to undertake an on market ordinary share buyback of up to \$500 million. Other than this, no matter or circumstance has arisen between 30 September 1999 and the date of this report that has significantly affected or may significantly affect the operations of the Group in future financial years, the results of those operations or the state of affairs of the Group in future years.

Future Developments

Details of likely developments in the operations of the Group in future financial years are contained in the Chairman's 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.

Directors' Report

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' interests, beneficial and non-beneficial, in the shares of the Company are detailed on page 31 of the 1999 Annual Report and this table is incorporated in and forms part of this report.

Share Options

Details of share options granted to directors, senior executives and officers, and unissued shares under option, are shown under Directors' and Executive Officers' Emoluments in this report, and in note 42 of the Financial Statements.

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 and the 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 20 and 21 of the 1999 Annual Report and those pages are incorporated in and form part of this report.

Colin James Harper and John Francis Ries retired as directors on 30 September 1999 and 18 December 1998 respectively, having held office since before the commencement of the financial year.

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

Directors' and Executive Officers' Emoluments

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

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

The Committee's responsibilities include the review of all 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 personnel entitlements for senior executives, approving the same or, in the case of Board appointees, making remuneration 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 of 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 vest with the senior executive after the relevant period. If the senior executive leaves or is dismissed during that period, the shares are forfeited.

Details of the emoluments of each director and of the five most highly paid officers for the Group and the Company are shown on page 29.

Directors' Report

Amounts in \$	Base fee	Subsidiary Board	Committee fee	Retiring allowance	Superannuation contributions	Total
Non executive directors						
C B Goode (Chairman)	300,000	–	–	–	6,960	306,960
J C Dahlsen	85,000	–	10,000	–	6,650	101,650
R S Deane	85,000	59,533	–	–	4,741	149,274
J K Ellis	85,000	–	–	–	5,950	90,950
C J Harper ¹	85,000	–	10,000	269,000	8,312	372,312
M A Jackson	85,000	2,500	10,000	–	6,885	104,385
B W Scott	85,000	10,000	10,000	–	5,194	110,194
G K Toomey	85,000	–	–	–	4,741	89,741
	895,000	72,033	40,000	269,000	49,433	1,325,466

¹ Retired 30 September 1999

	Salary or fees \$	Performance related bonus (cash component) \$	Benefits ¹ \$	Superannuation contributions \$	Other \$	Total cash and other benefits \$	Deferred shares (number issued)	Deferred shares (value on issue) \$
Executive Management Committee								
J McFarlane (Executive director)	1,431,750	433,333	–	68,250	–	1,933,333	87,189 ²	866,667 ²
D L Boyles	592,211	200,000	28,214	29,575	–	850,000	40,241 ³	400,000 ³
P J O Hawkins	648,457	250,000	19,693	31,850	–	950,000	50,301 ³	500,000 ³
P R Marriott	577,976	175,000	2,700	27,680	–	783,356	35,211 ³	350,000 ³
Other disclosable executive								
L Crawford	522,275	175,000	2,700	25,025	–	725,000	35,211 ³	350,000 ³
Former executives								
J F Ries ⁴ (Executive director)	154,970	–	1,412	7,455	1,301,286	1,465,123	–	–
C Carbonaro ⁵	382,539	375,000	23,451	19,353	264,892	1,065,235	–	–

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

² Two thirds of the performance related bonus will be paid as deferred shares, subject to approval at the Annual General Meeting. These shares are deferred for a minimum of twelve months

³ 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 for a minimum of twelve months, and half deferred for a minimum of three years. The shares are forfeitable upon the recipient leaving the Group within the relevant period for reasons other than retirement, retrenchment, death or disablement

⁴ Retired 18 December 1998, final payment included payment under contract (\$650,000), annual leave and long service leave payout (\$458,681), retirement allowance (\$192,605)

⁵ Retired 10 September 1999

Options issued to disclosable executives during 1999

Name	Number issued		Exercise price		Estimated value		Total ² \$
	Series 1 ¹	Series 2 ¹	Series 1 \$	Series 2 \$	Series 1 \$	Series 2 \$	
D L Boyles	50,000	250,000	8.97	11.20	47,273	333,188	380,461
C Carbonaro	100,000	–	8.97	–	94,547	–	94,547
L Crawford	100,000	200,000	8.97	11.20	94,547	266,550	361,097
P J O Hawkins	100,000	300,000	8.97	11.20	94,547	399,825	494,372
P R Marriott	75,000	250,000	8.97	11.20	70,910	333,188	404,098

¹ Series 1 was issued 28 October 1998. Series 2 was issued 2 June 1999

² All options expire 5 years from the date of issue. These options can be exercised between 3 – 5 years from the date of the issue. Each option entitles the holder to purchase one ordinary share in the Company. The options may only be exercised if certain performance conditions are met. The estimated value disclosed above is calculated using a modified Black – Scholes model

Directors' Report

Directors' and Officers' Indemnity

The Company's Constitution (Rule 143) permits the Company to indemnify each officer of the Company against certain liabilities (other than a liability to the Company or a related body corporate) incurred in the execution and discharge of the officer's duties.

The Company is not permitted to indemnify officers in respect of liability arising from conduct involving a lack of good faith or for costs and expenses incurred in defending proceedings (unless the officer ultimately is successful in those proceedings). The Company's ability to indemnify extends to all officers and employees, including directors, secretaries (namely, P R Marriott, P J Mathews, K K Phillips and J L Slatter) and executive officers.

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 (as named above), and executive officers of the Company, and directors, secretaries and executive officers of related bodies corporate of the Company. In accordance with common commercial practice, the insurance policy prohibits disclosure of the nature of the liability insured against and the amount of the premium.

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 officers of the Company, being trustees and administrators of a subsidiary entity, being a trust, 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.

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 unless the claim is by the Company or a related body corporate. The indemnity protects 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 provisions of 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.

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

Signed in accordance with a resolution of the directors.



Charles Goode

Chairman

8 November 1999



John McFarlane

Chief Executive Officer

Directors' Meetings

The number of Board meetings and meetings of Committees during the year, and the number of meetings attended by each director were

	Board		Risk Management		Audit, Compliance & Finance		Human Resources		Strategic Issues		Nominations Committee		Executive Committee		Shares Committee		Committee of the Board	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B
C B Goode	11	11	11	11	8	8	8	8	5	4	1	1	6	6	15	15	7	7
J C Dahlsen	11	11	-	-	8	8	-	-	5	4	-	-	2	2	3	3	1	1
R S Deane ¹	11	10	11	10	-	-	-	-	5	4	-	-	1	1	-	-	-	-
J K Ellis	11	11	11	10	-	-	8	8	-	-	-	-	1	1	1	1	-	-
C J Harper ²	11	11	11	10	-	-	8	8	-	-	1	1	4	4	8	8	2	2
M A Jackson	11	11	-	-	8	7	-	-	5	5	-	-	3	3	2	2	2	2
J McFarlane	11	11	11	10	8	7	8	8	5	5	1	1	7	7	3	3	8	8
J F Ries ³	2	2	2	2	-	-	-	-	-	-	-	-	2	2	-	-	-	-
B W Scott	11	11	-	-	8	8	8	8	-	-	1	1	-	-	2	2	1	1
G K Toomey	11	11	11	8	-	-	8	8	-	-	-	-	-	-	1	1	-	-

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

Column B - Indicates the number of meetings attended. In addition, there were Committee meetings which were attended by those directors necessary and available to meet quorum requirements: Executive Committee of the Board - 7 times, Committee of the Board - 10 times, Shares Committee - 18 times, Donations Committee - once (C B Goode and J McFarlane). The Chairman is an ex-officio member of all Board Committees

¹ Resident of New Zealand

² Retired as a Director on 30 September 1999

³ Retired as a Director on 18 December 1998

Major Committees

Audit, Compliance & Finance (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 (see page 23).

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

Strategic Issues (Chairman - M A Jackson) oversees proposed acquisitions, divestments and joint ventures; monitors the progress of major projects.

Directors' Shareholding Interests

	Beneficially held		Non-beneficially held
	Shares	Options	Shares
C B Goode	161,190	-	133,174
J C Dahlsen	83,400	-	12,000
R S Deane	75,000	-	-
J K Ellis	53,911	-	-
C J Harper ¹	55,500	-	-
M A Jackson	78,391	-	-
J McFarlane	302,000	1,000,000 ²	-
J F Ries ³	164,243	210,710 ⁴	-
B W Scott	55,403	-	-
G K Toomey	2,148	-	-
Total	1,031,186	1,210,710	145,174

¹ Retired as a Director on 30 September 1999

² 500,000 options exercisable at \$12.12 after 1 February 2000; 500,000 options exercisable at \$11.40 after 1 June 2001

³ Retired as a Director on 18 December 1998

⁴ 10,710 options exercisable at \$8.76; 100,000 options exercisable at \$10.65; 100,000 options exercisable at \$11.40; all options are exercisable by 30 December 1999

Australia and New Zealand Banking Group Limited and Controlled Entities

Profit and Loss Account for the year ended 30 September 1999

	Note	1999 \$M	Consolidated 1998 \$M	1997 \$M
Interest income		8,674	9,499	9,455
Interest expense		(5,029)	(5,952)	(6,018)
Net interest income		3,645	3,547	3,437
Other operating income		2,321	2,099	2,110
Operating income		5,966	5,646	5,547
Operating expenses		(3,294)	(3,438)	(3,502)
Operating profit before debt provision and abnormal items		2,672	2,208	2,045
Provision for doubtful debts		(510)	(487)	(400)
Operating profit before abnormal items		2,162	1,721	1,645
Abnormal loss	2	–	(102)	(182)
Operating profit before income tax		2,162	1,619	1,463
Income tax (expense) benefit				
Operating profit		(676)	(537)	(466)
Abnormal loss	2	–	33	35
Income tax expense		(676)	(504)	(431)
Operating profit after income tax		1,486	1,115	1,032
Outside equity interests		(6)	(9)	(8)
Operating profit after income tax attributable to members of the Company		1,480	1,106	1,024
Retained profits at start of year		2,412	1,830	1,583
Total available for appropriation		3,892	2,936	2,607
Transfers (to) from reserves		(54)	223	(82)
Ordinary share dividends provided for or paid	3	(814)	(747)	(695)
Preference share dividends paid	3	(72)	–	–
Retained profits at end of year		2,952	2,412	1,830
Earnings per ordinary share (cents)				
Basic				
Before abnormal items		90.6	77.2	78.4
After abnormal items		90.6	72.6	68.6
Diluted				
Before abnormal items		90.3	76.9	78.2
After abnormal items		90.3	72.4	68.4

Australia and New Zealand Banking Group Limited and Controlled Entities

Balance Sheet as at 30 September 1999

	Note	Consolidated	
		1999 \$M	1998 \$M
Assets			
Liquid assets		5,283	7,527
Due from other financial institutions		3,472	4,158
Trading securities		4,259	5,973
Investment securities		4,695	3,979
Net loans and advances		104,063	94,457
Customers' liabilities for acceptances		14,858	15,648
Regulatory deposits		616	1,530
Shares in associates		32	11
Other assets		10,305	14,864
Premises and equipment		1,424	1,573
Total assets		149,007	149,720
Liabilities			
Due to other financial institutions		9,001	10,758
Deposits and other borrowings		96,559	94,599
Liability for acceptances		14,858	15,648
Income tax liability		1,051	914
Creditors and other liabilities		9,422	14,009
Provisions		1,010	987
Bonds and notes		4,456	666
Loan capital		3,221	3,748
Total liabilities		139,578	141,329
Net assets		9,429	8,391
Shareholders' equity			
Ordinary share capital		4,770	4,581
Preference share capital	4	1,145	645
Reserves		536	697
Retained profits		2,952	2,412
Share capital and reserves attributable to members of the Company		9,403	8,335
Outside equity interests		26	56
Total shareholders' equity and outside equity interests		9,429	8,391
Contingent liabilities	5		

Australia and New Zealand Banking Group Limited and Controlled Entities
Statement of Cash Flows for the year ended 30 September 1999

	1999 \$M	Consolidated 1998 \$M	1997 \$M
		Inflows (Outflows)	
Cash flows from operating activities			
Interest received	8,679	9,403	9,389
Dividends received	157	169	327
Fees and other income received	2,089	1,797	1,664
Interest paid	(5,039)	(6,238)	(5,996)
Personnel expenses paid	(1,840)	(2,001)	(2,155)
Premises expenses paid	(282)	(291)	(315)
Other operating expenses paid	(977)	(1,085)	(759)
Income taxes paid	(535)	(423)	(426)
Net decrease in trading securities	1,442	926	304
Net cash provided by operating activities	3,694	2,257	2,033
Cash flows from investing activities			
Net decrease (increase)			
Due from other financial institutions	616	2,299	1,840
Regulatory deposits	828	(308)	(14)
Loans and advances	(12,936)	(9,680)	(8,029)
Investment securities			
Purchases	(5,527)	(5,490)	(3,140)
Proceeds from sale or maturity	4,670	5,279	2,803
Controlled entities and associates			
Purchased (net of cash acquired)	(2)	(8)	(11)
Proceeds from sale (net of cash disposed)	–	–	41
Transferred from controlled entities to associates (net of cash)	(94)	–	–
Premises and equipment			
Purchases	(177)	(143)	(219)
Proceeds from sale	142	75	47
Other	(610)	1,483	1,389
Net cash (used in) investing activities	(13,090)	(6,493)	(5,293)
Cash flows from financing activities			
Net (decrease) increase			
Due to other financial institutions	(779)	(2,047)	(2,787)
Deposits and other borrowings	5,202	2,131	7,861
Creditors and other liabilities	743	(288)	425
Bonds and notes			
Issue proceeds	4,330	802	973
Redemptions	(479)	(2,174)	(1,434)
Loan capital			
Issue proceeds	–	559	323
Redemptions	(256)	(273)	(851)
Decrease in outside equity interests	(1)	(3)	(3)
Dividends paid	(671)	(491)	(478)
Share capital issues	591	714	39
Net cash provided by (used in) financing activities	8,680	(1,070)	4,068
Net cash provided by operating activities	3,694	2,257	2,033
Net cash (used in) investing activities	(13,090)	(6,493)	(5,293)
Net cash provided by (used in) financing activities	8,680	(1,070)	4,068
Net (decrease) increase in cash and cash equivalents	(716)	(5,306)	808
Cash and cash equivalents at beginning of year	8,981	12,456	11,246
Foreign currency translation on opening balances	(1,631)	1,831	402
Cash and cash equivalents at end of year	6,634	8,981	12,456

Notes to the Concise Financial Statements

1: Accounting Policies

This concise financial report has been derived from the Group's 1999 Financial Statements which comply 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 1999 Financial Statements. The accounting policies are consistent with those of the previous financial year except for the change disclosed.

Change in Accounting Policy

Effective 1 October 1998, costs incurred in developing, acquiring and enhancing application software are capitalised and amortised over the estimated useful life which generally ranges from 3 to 5 years. The Group previously expensed these costs. The change results from adoption of the US Statement of Position 98-1 "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use".

The impact on the profit and loss after tax for the year ended 30 September 1999 is \$39 million.

	1999 \$M	Consolidated 1998 \$M	1997 \$M
2: Abnormal Items			
Profit before tax			
Interest on National Housing Bank deposit	–	–	145
(Loss) before tax			
Restructuring costs	–	–	(327)
Costs of exiting businesses	–	(102)	–
Total abnormal loss before tax	–	(102)	(182)
Income tax (expense) benefit applicable to			
Interest on National Housing Bank deposit	–	–	(80)
Restructuring costs	–	–	115
Costs of exiting businesses	–	33	–
Total abnormal tax benefit	–	33	35
Total abnormal loss after tax	–	(69)	(147)
3: Dividends			
Ordinary dividends			
Interim dividend	404	366	329
Proposed final dividend	470	431	392
Bonus option plan adjustment	(60)	(50)	(26)
Dividends on ordinary shares	814	747	695

A final dividend of 30 cents, partially franked to 80%, is proposed to be paid on each fully paid ordinary share on 20 December 1999 (1998: final dividend of 28 cents, paid 21 December 1998, partially franked to 60%; 1997: final dividend of 26 cents, paid 21 January 1998, fully franked). The 1999 interim dividend of 26 cents, paid 5 July 1999, was partially franked to 75%, (1998: interim dividend of 24 cents, paid 6 July 1998, partially franked to 60%; 1997: interim dividend of 22 cents, paid 7 July 1997, fully franked). The unfranked portion will be sourced from the Company's foreign dividend account. As a result, non-resident shareholders will be exempt from dividend withholding tax.

Preference dividends

Dividends on preference shares	72	–	–
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The Company has issued 124,032,000 preference shares, raising US\$775 million via Trust Securities issues. The Trust Securities carry an entitlement to a distribution of 8% (US\$400 million) or 8.08% (US\$375 million). The amounts are payable quarterly in arrears. Shown above are amounts paid from the dates of issue (23 September 1998 and 19 November 1998) to 30 September 1999. Payment dates are the fifteenth day of January, April, July and October.

Dividend Franking Account

The amount of franking credits available for the subsequent financial year is nil (1998: nil), after adjusting for franking credits that will arise from the payment of tax on Australian profits for the 1999 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.

Notes to the Concise Financial Statements

4: Share Capital

On 19 November 1998, the Company issued 56,016,000 fully paid non-converting non-cumulative preference shares for US\$6.25 per share, raising capital of US\$350 million for the Group via a Trust Securities issue.

On the 24 November 1998, the Company issued a further 4,000,000 fully paid non-converting non-cumulative preference shares for US\$6.25 per share raising capital of US\$25 million. These additional shares resulted from the exercise of an option by the underwriters.

The Trust Securities are mandatorily exchangeable for the preference shares issued by the Company, and carry an entitlement to a non-cumulative trust distribution of 8.08% per annum payable quarterly in arrears. The Trust Securities were issued by a non diversified closed end management investment company registered under the US Investment Company Act of 1940. The preference shares themselves carry no present entitlement to dividends. Distributions to investors in the Trust Securities are funded by income distributions made by the Group.

Upon maturity of the Trust Securities in 2048, investors will mandatorily exchange the Trust Securities for the preference shares and thereupon the preference shares will

carry an entitlement to non-cumulative dividends of 8.08% per annum payable quarterly in arrears. The mandatory exchange of the Trust Securities for the preference shares may occur earlier at the Company's option or in specified circumstances.

With the prior consent of the Australian Prudential Regulation Authority, the preference shares are redeemable at the Company's option after 5 years, or within 5 years in limited circumstances. The entitlement of investors to distributions on the Trust Securities will cease on redemption of the preference shares.

The condition of issue of these preference shares are the same as those of the preference shares issued in September 1998, however the distribution to Trust Securities holders is 8.08% compared to 8%.

The transaction costs arising on the issue of these instruments were recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate.

5: Contingent Liabilities

General

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

India – National Housing Bank

In 1992 the branch of ANZ Grindlays Bank Limited (the Bank) in India received a claim, aggregating approximately Indian Rupees 5.06 billion (\$178 million at 30 September 1999 rates) from the National Housing Bank (NHB) in that country. The claim arose out of certain cheques drawn by NHB in favour of the Bank, the proceeds of which were credited into the account of one of the customers of the Bank.

On 29 March 1997, pursuant to an Arbitration Agreement entered into on 4 November 1992, the Arbitrators made an award on this dispute in favour of the Bank. NHB paid to the Bank the principal and interest due under the award (aggregating Indian Rupees 9.05 billion (\$318 million at 30 September 1999 rates)).

Subsequently, NHB had the award reviewed by the Special Court (Trial of Offences Relating to Transactions in Securities) at Mumbai, which on 4 February 1998 ordered that the award be set aside.

ANZ has filed an appeal with the Supreme Court of India seeking that the Special Court's order be set aside.

As the matter is sub judice, comment by the parties is limited. The Group has obtained legal advice from Senior Counsel and based on that advice no provision has been made in respect of the claim.

India – Foreign Exchange Regulation Act

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

The Indian authorities have served preliminary notices on the Bank and certain of its officers in India which could lead to prosecutions and possible penalties. The Bank is contesting through the courts in India, the validity of the notices that have been served. Separate to these court proceedings, adjudications in respect to two of the notices have been heard. No decision has been given in respect of these adjudications. ANZ considers that the outcome will have no material adverse effect on the September 1999 financial statements.

Notes to the Concise Financial Statements

6: Segment Analysis

The Group for management purposes is organised on an industry basis into three major operating divisions being Personal Financial Services, Corporate Financial Services and International. Group (including discontinued businesses) includes the results of asset and liability management, earnings on central capital and results of discontinued businesses. Each industry segment is identified by the type of products and services it provides to various customers. A description of each of the operating divisions, including the types of products and services the division provides to customers, is provided in the Financial Statements.

Industry Segment Analysis¹	Personal Financial Services	Corporate Financial Services	International	Group (including discontinued businesses)	Consolidated Total
Consolidated 30 September 1999	\$M	\$M	\$M	\$M	\$M
Total income	4,697	4,068	1,871	359	10,995
Net interest income	1,861	956	569	259	3,645
Other operating income	954	903	384	80	2,321
Operating income	2,815	1,859	953	339	5,966
Depreciation/amortisation	(44)	(31)	(31)	(89)	(195)
Other expenses	(1,844)	(1,071)	(644)	(50)	(3,609)
Income tax and outside equity interests	(305)	(207)	(102)	(68)	(682)
Operating profit before abnormals	622	550	176	132	1,480
Net abnormals	–	–	–	–	–
Operating profit after income tax	622	550	176	132	1,480
Assets	55,701	66,723	17,859	7,517	147,800
Income tax assets	214	462	219	312	1,207
Total assets	55,915	67,185	18,078	7,829	149,007
Liabilities	35,083	58,493	20,935	24,016	138,527
Income tax liabilities	185	463	241	162	1,051
Total liabilities	35,268	58,956	21,176	24,178	139,578

Industry Segment Analysis¹	Personal Financial Services	Corporate Financial Services	International	Group (including discontinued businesses)	Consolidated Total
Consolidated 30 September 1998	\$M	\$M	\$M	\$M	\$M
Total income (includes abnormals)	4,739	3,856	2,145	788	11,528
Net interest income	1,808	900	597	242	3,547
Other operating income	825	886	440	(52)	2,099
Operating income	2,633	1,786	1,037	190	5,646
Depreciation/amortisation	(48)	(24)	(30)	(89)	(191)
Other expenses	(1,895)	(1,113)	(658)	(68)	(3,734)
Income tax and outside equity interests	(224)	(177)	(129)	(16)	(546)
Operating profit before abnormals	466	472	220	17	1,175
Net abnormals	–	–	–	(69)	(69)
Operating profit after income tax	466	472	220	(52)	1,106
Assets	47,040	70,222	19,070	12,218	148,550
Income tax assets	189	496	162	323	1,170
Total assets	47,229	70,718	19,232	12,541	149,720
Liabilities	36,835	64,913	23,361	15,306	140,415
Income tax liabilities	101	479	253	81	914
Total liabilities	36,936	65,392	23,614	15,387	141,329

¹ Results are equity standardised

Notes to the Concise Financial Statements

6: Segment Analysis

Geographic Segment Analysis	1999		Consolidated 1998		1997	
	\$M	%	\$M	%	\$M	%
Income						
Australia	6,802	62	6,403	56	6,390	55
New Zealand	1,625	15	2,008	17	1,917	16
UK and Europe	620	6	800	7	1,163	10
Asia Pacific	620	6	868	7	863	7
South Asia	585	5	572	5	655	6
Americas	348	3	419	4	362	3
Middle East	395	3	458	4	360	3
	10,995	100	11,528	100	11,710	100
Operating profit after income tax						
Australia	1,042	70	819	70	687	59
New Zealand	200	14	167	14	123	11
UK and Europe	39	3	(59)	(5)	105	9
Asia Pacific	59	4	100	9	97	8
South Asia	61	4	72	6	84	7
Americas	46	3	36	3	24	2
Middle East	33	2	40	3	51	4
	1,480	100	1,175	100	1,171	100
Abnormal loss	-		(69)		(147)	
	1,480		1,106		1,024	
Total assets						
Australia	103,757	70	94,194	63	80,321	58
New Zealand	19,730	13	20,155	14	18,831	14
UK and Europe	6,426	4	13,803	9	16,886	12
Asia Pacific	5,934	4	7,104	5	9,844	7
South Asia	4,471	3	5,008	3	3,959	3
Americas	4,988	3	4,919	3	4,611	3
Middle East	3,701	3	4,537	3	3,789	3
	149,007	100	149,720	100	138,241	100

7: Events Since the End of the Financial Year

On 3 November 1999 the Group announced its intention to undertake an on market ordinary share buyback of up to \$500 million. Other than this, there have been no significant events since 30 September 1999 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 1999 Financial Statements and complies with Australian Accounting Standard AASB 1039 "Concise Financial Reports".

In our report on the Group's 1999 Financial Statements 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

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 1999 as set out on pages 10 to 11, 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 1999.

Our audit report on the full financial report was signed on 8 November 1999, 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".

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 1999 complies with AASB 1039 "Concise Financial Reports".

KPMG
Chartered Accountants

P S Nash
Partner

Melbourne
8 November 1999

Financial Highlights in Key Currencies

Millions	1999 AUD	1999 USD ¹	1999 GBP ¹	1999 NZD ¹
Profit and loss				
Net income	5,966	3,820	2,346	7,167
Operating expenses	(3,294)	(2,109)	(1,295)	(3,957)
Profit before tax and debt provision	2,672	1,711	1,051	3,210
Provision for doubtful debts	(510)	(326)	(201)	(613)
Profit before tax	2,162	1,385	850	2,597
Income tax expense	(676)	(433)	(266)	(812)
Outside equity interests	(6)	(4)	(2)	(7)
Profit after tax	1,480	948	582	1,778
Balance Sheet				
Assets	149,007	97,346	59,186	187,719
Liabilities	139,578	91,186	55,440	175,840
Shareholders' equity ²	9,429	6,160	3,745	11,879
Ratios - per ordinary share				
Earnings per share - after abnormal items (basic)	90.6c	58.0c	35.6p	108.8c
Dividends per share - declared rate	56.0c	35.9c	22.0p	67.3c
Net tangible assets per share	\$5.21	\$3.40	£2.07	\$6.56

¹ USD, GBP and NZD amounts - profit and loss converted at average rates for financial year 30 September 1999 and balance sheet items at closing rates at 30 September 1999

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

	1999		1998		1997	
	Closing	Average	Closing	Average	Closing	Average
Great Britain pound	0.3972	0.3932	0.3496	0.3913	0.4465	0.4694
United States dollar	0.6533	0.6403	0.5972	0.6468	0.7197	0.7679
New Zealand dollar	1.2598	1.2014	1.1868	1.1581	1.1272	1.1191

Shareholder Information

Ordinary shares

At 8 October 1999 the twenty largest holders of ordinary shares held 867,878,917 ordinary shares, equal to 55.4 per cent of the total issued ordinary capital.

	Number of shares	%	Name	Number of Share	%
Chase Manhattan Nominees Ltd	247,508,700	15.8	Mercantile Mutual Life Insurance Company Ltd	22,694,247	1.4
Westpac Custodian Nominees Ltd	146,568,542	9.4	MLC Limited	21,674,024	1.4
National Nominees Ltd	111,082,836	7.1	Perpetual Trustees Nominees Ltd	17,865,197	1.1
ANZ Nominees Ltd	49,452,885	3.1	Perpetual Trustees Victoria Ltd	13,651,396	0.9
Citicorp Nominees Pty Ltd	35,869,178	2.3	Commonwealth Custodial Services Ltd	13,095,843	0.8
BT Custodial Services Pty Ltd	33,952,739	2.2	AMP Nominees Pty Ltd	10,604,568	0.7
Perpetual Nominees Ltd	33,890,209	2.2	HKBA Nominees Ltd	9,610,380	0.6
AMP Life Ltd	27,836,491	1.8	Perpetual Trustee Company Ltd	7,768,124	0.5
Permanent Trustee Australia Ltd	25,668,217	1.6	Perpetual Trustees Australia Ltd	7,664,347	0.5
Queensland Investment Corporation	23,953,966	1.5	PSS Board	7,467,028	0.5
				867,878,917	55.4

Distribution of shareholdings

At 8 October 1999 Range	Number of holders	% of holders	Number of shares	% of shares
1 to 1,000 shares	122,490	57.2	47,370,633	3.0
1,001 to 5,000 shares	70,809	33.1	163,566,448	10.4
5,001 to 10,000 shares	12,469	5.8	89,033,738	5.7
10,001 to 100,000 shares	7,912	3.7	171,671,460	11.0
Over 100,001 shares	471	0.2	1,093,786,190	69.9
Total	214,151	100	1,565,428,469	100

At 8 October 1999 there was one entry in the Register of Substantial Shareholdings. A notice was received from The Capital Group Companies, Inc. advising that on 27 April 1999 it became a substantial shareholder with a holding of 77,757,584 ordinary shares. This holding is held by several nominee companies. At 8 October 1999 the average size of holdings of ordinary shares was 8,352 (1998: 10,106) shares. At 8 October 1999 there were 8,760 shareholdings of less than a marketable parcel (less than \$500 in value (49 shares) based on a market price of \$10.19), (1998: 5,671), which is 4.7% of the total holdings of ordinary shares.

Voting rights of ordinary shares

The Constitution provides for

- (i) on show of hands 1 vote;
- (ii) on a poll 1 vote for each ordinary share held; and
- (iii) 1 vote for every 10, 10 cent paid shares issued pursuant to the Company's Group Share Purchase Scheme.

Preference shares

At 8 October 1999 Hare and Co (a nominee company of The Bank of New York) held 124,032,000 preference shares, being 100 per cent of the total issued preference capital.

Voting rights of preference shares

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

- (i) when a preference share dividend (or equivalent) is not paid by the prescribed quarterly payment date. This entitlement to vote ceases after full payment of four consecutive quarterly preference share dividends; and
- (ii) on proposals or resolutions that affect the rights attached to the preference share or reduce the Company's share capital, including proposals to dispose of ANZ's undertakings, or to wind up ANZ or during a winding up of ANZ.

Employee shareholder information

At the January 1994 Annual General Meeting, shareholders approved a limit of 7% of the issued share capital of the Company on the number of shares which may be issued under the employee share purchase schemes and the unissued shares to which options may be granted under any incentive schemes for employees and directors of the Group.

At 8 October 1999 participants in the following employee incentive schemes:

- ANZ Group Employee Share Acquisition Plan;
- ANZ Group Share Purchase Scheme; and
- ANZ Group Share Option Scheme (in respect of unissued shares which may be issued on the exercise of options) held 2.1% (1998: 2.1%) of the issued capital.

Shareholder Information

Dividend

The final dividend of 30 cents per share will be paid on 20 December 1999, 80% franked. Dividends may be paid directly to a bank account in Australia, New Zealand or the United Kingdom. Shareholders who want their dividends paid this way should advise ANZ Share Registry in writing. Dividend Reinvestment and Bonus Option plans are available to shareholders. The plans are detailed in a booklet called 'Shareholder Alternatives', copies of which are available from Share registry at the addresses shown.

Stock Exchange Listings

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

American Depositary Receipts

The Bank of New York sponsors an American Depositary Receipt (ADR) program in the United States of America. The ADRs were listed on the New York Stock Exchange on 6 December 1994. ADR holders should deal directly with the Depository, Bank of New York, New York, Telephone (212) 815 2729, Fax (212) 571 3050 on all matters relating to their ADRs.

Credit Ratings (November 1999)

Short Term

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

Long Term Debt

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

1999 Financial Statements

A copy of the Group's 1999 Financial Statements, including the independent Auditors' Report, is available to all shareholders, and will be sent to shareholders without charge upon request. The Financial Statements can be requested by telephone (Australia: **1800 11 33 99**, Overseas: **61 3 9667 7128**) and by internet at investor.relations@anz.com or viewed directly on the Internet at www.anz.com

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ANZ Funds Management **1800 022 893**

Credit Card Enquiries **13 22 73**

Lost or Stolen Cards **1800 033 844**

Internet

ANZ product and company information is available from ANZ's Internet site: **www.anz.com**

