For release: 20 November 1996

ANZ announces $1,116 million profit

Australia and New Zealand Banking Group Limited (ANZ) today reported an 8% increase in operating profit after tax to $1,116 million for the year ended 30 September 1996. There were no abnormal items. The final dividend will be increased to 24 cents per share, and will be fully franked.

ANZ Chairman, Mr Charles Goode, made the following comments about the result.

“This result is a good profit outcome for ANZ shareholders. It was built around continued business growth across all sectors, particularly the international operations. A lower charge for bad debts and growth in non-interest income together with a lower effective tax rate contributed to a strong second half result which was a little ahead of our expectations.

“Our international operations have contributed strongly to the Group result with profits up 17% on the previous year. In particular our investment banking operations in London performed very strongly in the second half of the year.

“In Australia, we have seen a reduction in underlying profitability reflecting very competitive market conditions and higher personnel costs. However, we have benefited from a continuing improvement in asset quality, leading to a lower charge for doubtful debts.

“In New Zealand underlying earnings remained stable. The benefits of asset growth were offset by competitive pressures on margins. Re-engineering costs continue to be a significant factor in New Zealand.

“Earnings per share were 76 cents for the year, an 11% increase over 1995. Directors have decided to increase the final dividend to 24 cents per share lifting the total dividend for the year to 42 cents per share compared to 33 cents for 1995. The final dividend will be fully franked at 36% tax rate.

“We are particularly pleased that we have been able to move to full franking earlier than had been anticipated. We expect to sustain full franking at least for the 1997 financial year. However, there may be some limit on our franking capacity thereafter, if the proportion of Group profits earned offshore continues to increase.

“At the end of the year we had total assets of $128 billion, shareholders’ equity of $6.3 billion, a Tier 1 capital ratio of 6.7%, and net non-accrual loans equivalent to 11% of shareholders’ equity. We were pleased that in September the major US based rating agencies, Standard and Poor’s and Moody’s, recognised our sound position and returned ANZ to ‘AA’ status”, Mr Goode concluded.

Chief Executive Officer, Mr Don Mercer, made the following comments on the result.

“The Australian finance industry is undergoing rapid change. The challenge for management is to increase earnings, while investing in major change programs to reposition the Group for the future. The 18.3% return on shareholders’ equity, achieved under very competitive conditions, is a good result. It reflects a solid performance by the entire Group, with a particularly strong performance from our international operations.

“Total assets grew by 13%, with reasonable growth across all markets. Again it was in our international operations that the strongest lending growth was achieved.

“Interest margins contracted in New Zealand, and in Australia in the second half, reflecting intensely competitive market conditions, particularly in home loan markets. Margins were steady in our international operations.

“Growth in non-interest income was achieved, with the investment banking activities based in London performing strongly in the second half of the year. Significant expansion in business volumes in cards and operating lease activity also contributed to the higher non interest income, with some offset in higher revenue related expenses.

“The implementation of the major change programs contributed to the increase in costs. Additional staff were employed in Australia as we centralised back office functions and introduced new technology, the benefits from which will be seen from 1997. Also behind the higher personnel expenses were salary increases flowing from the enterprise bargaining agreement, the move to total employment cost packaging for managerial staff, performance related payments and redeployment and retrenchment costs.

“Asset quality measures continued to improve with a further reduction in net non-accrual loans from $1,080 million to $724 million. The charge to profit for bad debts is also lower than in 1995, with the charge in the second half well down on the first half. Increased levels of tax preferred income and the favourable resolution of issues under dispute with Revenue Authorities led to a lower effective tax rate”, Mr Mercer concluded.

OUTLOOK

While we expect an acceleration in economic activity in Australia later in 1997, growth in the first half is likely to remain subdued. There are some risks to the short-term outlook for New Zealand arising from the prolonged period of very high real interest rates and uncertainty surrounding the new political arrangements. Overall, Asia should continue to enjoy strong economic growth, however some countries may encounter periods of less robust growth than in recent years.

We see growth opportunities for the Group particularly in our international operations and also in investment banking, cards and funds management.

Further contraction of margins is expected in Australia and New Zealand in the year ahead. Completion of the implementation of our change initiatives is the key task for 1997. This will involve some branch closures as banking services are increasingly delivered to customers using electronic channels. We expect the initial benefits to emerge during 1997, with more significant benefits thereafter.

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A full copy of the Consolidated Results and Dividend Announcement for the year ended 30 September 1996 will be available as a downloadable file from Wednesday 20 November 1996 at the following Internet address: www.anz.com

Consolidated Results
and
Dividend Announcement

Year Ended
30 September 1996

ANZ

FOR PRIORITY TRANSMISSION

Name of Company: Australia and New Zealand Banking Group Limited
ACN 005 357 522

Report for the year ended 30 September 1996

		A$ Million
Group operating revenue		11,382
Group operating profit after income tax and outside equity interests		
- before abnormal items		1,116
- after abnormal items		1,116
Group net abnormal items		Nil
Final dividend per share:		
- Fully paid shares		
This year	fully franked at 36%	24 cents
Last year	33% franked at 36%	18 cents
Books close for final ordinary dividend		13 December 1996
Payment of final ordinary dividend		15 January 1997

The final dividend will be payable to shareholders registered in the books of the Company at close of business on 13 December 1996. Transfers must be lodged before 5:00 pm on that day to participate.

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
ACN 005 357 522
CONSOLIDATED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
Year ended 30 September 1996

CONTENTS

All amounts are in Australian dollars unless otherwise stated. The results on which this announcement is based have been audited by the Group's auditors, KPMG. The Company has a formally constituted Audit and Compliance Committee of the Board of Directors. This report was approved by resolution of the Board of Directors at its meeting on 20 November 1996.

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
CONSOLIDATED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
Year ended 30 September 1996

HIGHLIGHTS

- Operating profit of $1,116 million, up 8%
- Return on equity 18.3%, up from 17.6%
- Earnings per share increased to 76.3 cents from 68.5 cents
- Final dividend increased to 24 cents fully franked at 36%, making 42 cents for the year
- Strong lending growth leading to an increase in total assets of 13% to $127.6 billion
- Net non-accrual loans down 33% to $724 million
- Shareholders' equity $6.3 billion
- Capital Adequacy Ratio 10.5%, Tier 1 - 6.7%

CONSOLIDATED RESULTS

Before abnormal items	1996 $M	1995 $M	Increase/ decrease %
Operating profit before income tax and abnormal items	**1,615**	1,548	4%
Income tax expense	**(490)**	(505)	-3%
Outside equity interests	**(9)**	(10)	-10%
Operating profit after income tax and before abnormal items	**1,116**	1,033	8%

After abnormal items	1996 $M	1995 $M	Increase/ decrease %
Operating profit after income tax and before abnormal items	**1,116**	1,033	8%
Abnormal items - income tax benefit	-	19	-100%
Operating profit after income tax and abnormal items	**1,116**	1,052	6%

FINANCIAL HIGHLIGHTS

PERFORMANCE MEASUREMENTS

	1996	1995
Earnings per share (cents)		
Before abnormal items	**76.3**	68.5
After abnormal items	**76.3**	69.9
Profitability ratios		
Before abnormal items		
Return on:		
Average shareholders' equity[1]	**18.3%**	17.6%
Average assets	**0.9%**	0.9%
Average risk weighted assets	**1.3%**	1.3%
Total income	**9.8%**	10.0%
After abnormal items		
Return on:		
Average shareholders' equity[1]	**18.3%**	17.9%
Average assets	**0.9%**	0.9%
Average risk weighted assets	**1.3%**	1.3%
Total income	**9.8%**	10.2%
Net interest average margin	**3.3%**	3.4%
Operating expenses to net operating income	**67.3%**	65.9%
Operating expenses to average assets	**3.0%**	3.0%
Doubtful debts charge		
Specific provision charge for doubtful debts ($M)	**117**	63
General provision charge for doubtful debts ($M)	**37**	111
Specific provision charge as a % of average net advances	**0.1%**	0.1%
DIVIDENDS		
Dividend rate (cents)		
Interim - franked to 9 cents at 36% (1995: unfranked)	**18**	15
Final - fully franked at 36% (1995: franked to 6 cents at 36%)	**24**	18
Proportion of total dividend franked	**79%**	18%

[1] *Excluding outside equity interests*

FINANCIAL HIGHLIGHTS (continued)

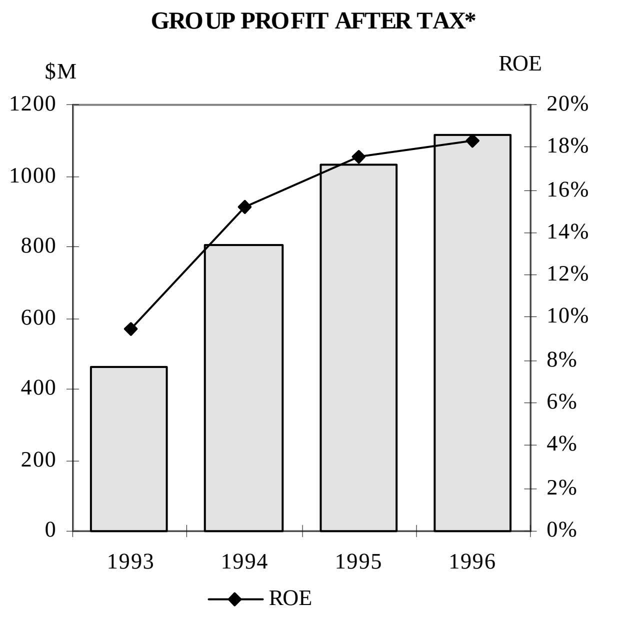
ASSETS AND CAPITAL	1996	1995	Increase/ decrease %
Total assets ($M)	**127,604**	112,587	13%
Risk weighted assets ($M)	**93,517**	83,076	13%
Shareholders' equity [1] ($M)	**6,290**	5,700	10%
Total advances ($M)	**92,572**	83,258	11%
Net tangible assets [2] per share ($)	**4.24**	3.94	8%
Capital adequacy ratio (%)			
- Tier 1	**6.7%**	6.6%	n/a
- Total	**10.5%**	10.9%	n/a
General provision as a % of risk weighted assets	**0.8%**	0.8%	n/a
Non-accrual loans ($M)			
Non-accrual loans	**1,225**	1,774	-31%
Specific provisions	**501**	694	-28%
Net non-accrual loans	**724**	1,080	-33%
Specific provision as a % of total non-accrual loans	**40.9%**	39.1%	n/a
Net non-accrual loans as a % of net advances	**0.8%**	1.3%	n/a
Net non-accrual loans as a % of shareholders' equity[3]	**11.4%**	18.8%	n/a

1 *Excluding outside equity interests*
2 *Including net future income tax benefit*
3 *Includes outside equity interests*

CHIEF EXECUTIVE OFFICER'S REVIEW OF OPERATIONS

Overview

Australia and New Zealand Banking Group Limited achieved an 8% increase in operating profit after tax to $1,116 million for the year ended 30 September 1996. There were no abnormal items. The return on shareholders' equity increased to 18.3% from 17.6% and earnings per share were 11% higher at 76.3 cents.



* *Excluding abnormal items*

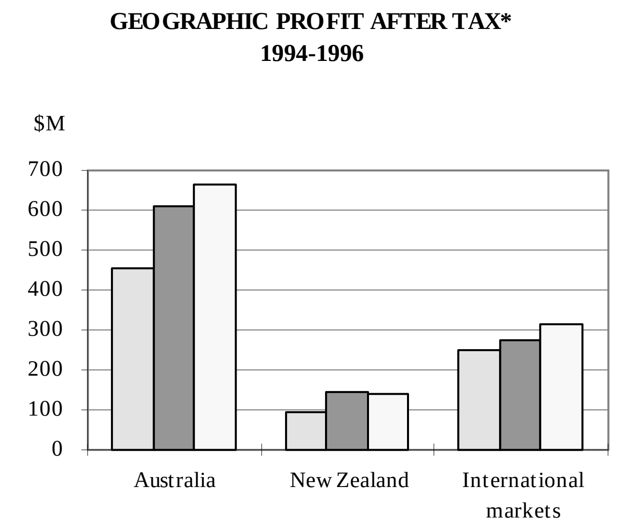
The increase in profit resulted from continued growth of the Group's business. Total assets grew by 13% to $128 billion, with reasonable growth across all markets. Again, it was in our international operations that the strongest lending growth was achieved, notably in Asia.

Our international operations contributed strongly to the Group result with profits up 17% on the previous year. In Australia, we benefited from a continuing improvement in asset quality, together with a lower effective tax rate offsetting a reduction in underlying profits. In New Zealand underlying earnings remained stable while after tax profits were slightly lower.

In Australia and New Zealand, gross interest spreads were lower reflecting intensely competitive market conditions, particularly in the home loan market. In our international operations, spreads were steady.

A reasonable increase in non-interest income was achieved, with the investment banking activities based in London contributing strongly in the second half of the year.

Higher personnel expenses were the main factor in the increase in operating costs for the year. In Australia, the higher costs reflected additional staff being employed in the implementation phase of the major change programs, salary increases from the enterprise bargaining agreement, the effect of the move to total employment cost packaging for managerial staff and profit participation for staff. Restructuring expenses occurred throughout the Group.



* *Excluding abnormal items*

Revenue related expenses (credit card interchange costs, operating lease depreciation and brokerage) were 11% higher, reflecting significant expansion in business volumes.

Asset quality continues to improve with a further reduction in net non-accrual loans from $1,080 million to $724 million. The charge to profit for bad debts is also lower than in 1995, with the second half charge well down on the first half. Increased levels of tax preferred income and the favourable resolution of issues under dispute with Revenue Authorities led to a lower effective tax rate.

CHIEF EXECUTIVE OFFICER'S REVIEW OF OPERATIONS (continued)

The final dividend is increased to 24 cents per share, fully franked at 36%, lifting the total dividend for the year to 42 cents per share compared to 33 cents for 1995. Going forward, the Group expects to sustain full franking for at least the 1997 financial year. However, there may be some limit on franking capacity thereafter if the proportion of Group profits earned internationally continues to increase.

At year end, the Group had total assets of $128 billion, shareholders' equity of $6.3 billion, and a Tier 1 capital ratio of 6.7%.

PROFIT AND LOSS

	1996 $M	1995 $M
Net interest income	**3,317**	3,081
Other operating income	**2,096**	1,975
Net operating income	**5,413**	5,056
Operating expenses	**(3,644)**	(3,334)
Operating profit before debt provisions	**1,769**	1,722
Provisions for doubtful debts	**(154)**	(174)
Income tax expense	**(490)**	(505)
Outside equity interests	**(9)**	(10)
Operating profit after income tax before abnormal items	**1,116**	1,033
Abnormal items[1]	-	19
Operating profit attributable to Company shareholders	**1,116**	1,052
Operating profit after income tax before abnormal items		
Australia	**657**	612
New Zealand	**138**	146
International markets	**321**	275
	1,116	1,033

[1] *The Sep 1995 abnormal item relates to the restatement of net deferred tax balances from the increase in the Australian corporate tax rate*

CHIEF EXECUTIVE OFFICER’S REVIEW OF OPERATIONS (continued)

Net interest income

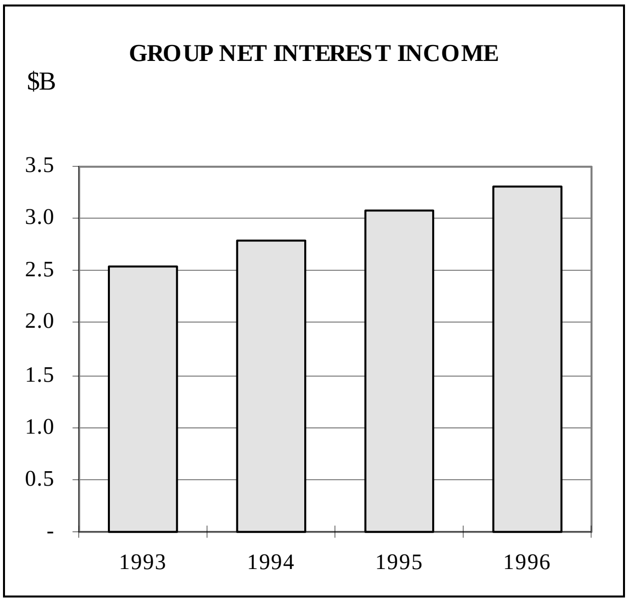
	1996 $M	1995 $M
Interest income	**9,286**	8,310
Interest expense	**(5,969)**	(5,229)
Net interest income	**3,317**	3,081
Interest spread and net interest average margin	**%**	%
Gross interest spread	**2.67**	2.79
Interest forgone on impaired assets	**(0.10)**	(0.14)
Net interest spread	**2.57**	2.65
Interest attributable to net non-interest bearing items	**0.77**	0.77
Net interest average margin	**3.34**	3.42
Average interest earning assets ($M)	**99,671**	90,912

Net interest income grew by 8%. Good asset growth was achieved in all markets, with an 8 basis point decline in the Group net interest margin reflecting lower spreads in New Zealand.

In Australia, 8% growth in average interest earning assets led to a similar growth in net interest income. While interest margins were stable year on year, with intensifying competitive pressures, margins fell in the second half. A further decline is expected in 1997.

In New Zealand, the benefit of 11% growth in average interest earning assets was offset by the decline in margins, leaving net interest income unchanged.

In International markets, 12% growth in average interest earning assets was achieved with stable interest margins.



Other operating income

	1996 $M	1995 $M
Fee income		
Lending	**550**	537
Other	**854**	801
Total fee income	**1,404**	1,338
Foreign exchange earnings	**231**	226
Profit on trading instruments	**113**	96
Other income	**348**	315
Total other operating income	**2,096**	1,975

Other operating income grew by 6%.

Fees grew 5%, principally in international markets which benefited from a strong performance by the investment banking operations in London. Other positive factors were growth in corporate lending fees in the first half and the expansion of our cards business. Competitive pressure continued to adversely affect retail lending fees.

Growth in other income was attributable to the operating lease business, particularly in New Zealand.

Operating expenses

	1996	1995
Personnel expenses	**1,862**	1,623
Premises expenses	**385**	401
Computer expenses	**328**	310
Other expenses	**1,069**	1,000
Total operating expenses	**3,644**	3,334
Employees (FTE)	**39,721**	39,240

Higher personnel expenses were the main factor contributing to the increase in operating costs.

Personnel costs increased as a result of additional staff being employed in the implementation phase of the major change programs, salary increases from the enterprise bargaining agreement, the effect of the move to total employment cost packaging for managerial staff, restructuring expenses and profit participation for staff.

Premises costs were down, principally in Australia. The increase in computer expenses reflected costs associated with the Australian change program and systems development for the International network and Treasury.

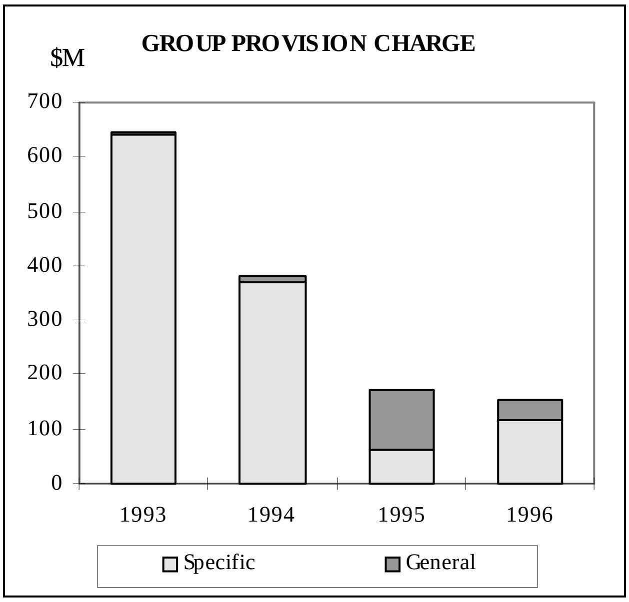
Within other expenses, revenue related expenses (credit card interchange costs, operating lease depreciation and brokerage) were 11% higher, reflecting significant expansion in business volumes, while non-lending losses were 30
% lower.

Provisions for doubtful debts

	1996 $M	1995 $M
Specific provision charge (credit)		
Australia	**108**	59
New Zealand	**11**	12
Principal domestic markets	**119**	71
International markets	**(2)**	(8)
Total specific provision charge	**117**	63
General provision charge	**37**	111
Total provisions for doubtful debts	**154**	174

The total provision charge reduced by 11% to $154 million. While the level of new and increased provisions was stable, the specific provision charge increased to $117 million due to the lower levels of provision releases and recoveries ($175 million as opposed to $230 million in 1995).

The $37 million general provision charge reflected the growth in risk weighted assets during the year. (The 1995 general provision charge included an additional $80 million to bolster the general provision). The general provision remains at 0.8% of risk weighted assets - well in excess of the industry benchmark of 0.5%.

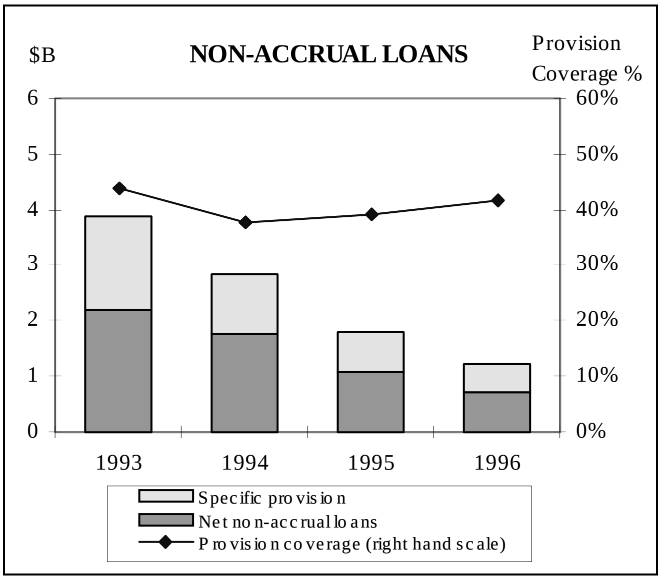


Non-accrual loans

Gross non-accruals fell by $549 million to $1,225 million as the ongoing asset realisation program more than offset new non-accrual loans.

Net non-accrual loans fell to $724 million and represent 11.4% of shareholders' equity at September 1996, down from 18.8% in 1995.

The coverage ratio (specific provisions to gross non-accrual loans) has moved above 40%.



Balance sheet

Total Group assets grew by 13.3%.

Strong lending growth was achieved across the Group -

Australia	9.8%
New Zealand	13.1%
International	18.4%

The International growth was higher in local currency terms.

Strong growth in retail deposits was also achieved in Australia and New Zealand, reducing the reliance on wholesale funding.

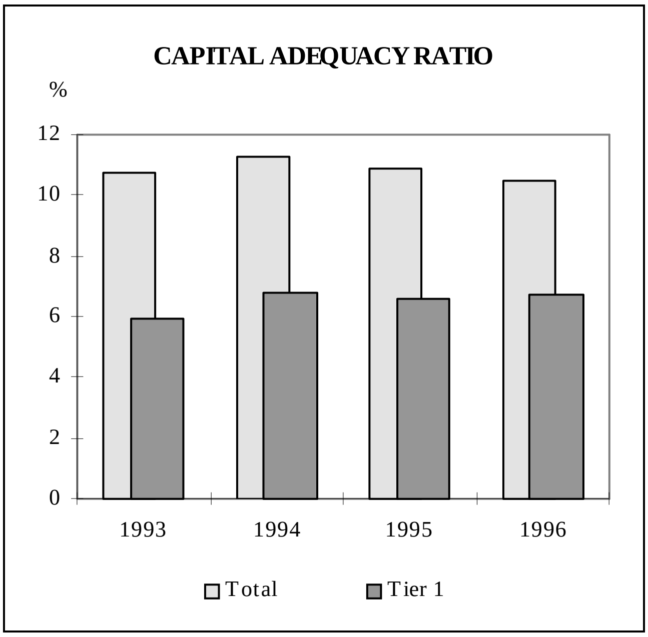
BALANCE SHEET	Sep 1996 $B	Sep 1995 $B
Assets		
Interbank balances	11.4	8.8
Loan portfolio	89.9	80.9
Trading and investment securities	9.9	8.6
Other	16.4	14.3
	127.6	112.6
Liabilities and equity		
Interbank balances	12.7	11.2
Deposits and borrowings	79.7	70.2
Acceptances	14.0	12.6
Other	11.3	9.6
Capital resources	9.9	9.0
	127.6	112.6

Capital adequacy

Reserve Bank of Australia (RBA) guidelines set a ratio of qualifying capital to risk weighted assets of at least 8.0%, of which Tier 1 capital must be at least 4.0%. The Group's capital adequacy ratio is 10.5%, with a Tier 1 ratio of 6.7% up from 6.6% at September 1995. The Group seeks to maintain the Tier 1 ratio in the range of 6.5% to 7.0%.

Tier 2 capital increased by 5%. The issue of USD 500 million subordinated debt more than offset the repayment of NZD 125 million subordinated debt in December, the amortisation of existing Tier 2 debt, and the impact of the stronger Australian dollar.

Due to a change in RBA prudential requirements, the Group's investments in funds management subsidiaries are now deducted from the aggregate of Tier 1 and Tier 2 capital. This resulted in a 0.2% fall in the capital adequacy ratio.



Risk management

Effective management of risk is a core competency and is an essential part of business of a major financial institution. The major risk management areas can be broadly defined as follows:

- ***Credit Risk* -** risk of financial loss from the failure of customers to honour fully the terms of a loan or other contract.

- ***Trading Risk* -** risk (trading) to earnings from changes in interest rates, currency fluctuations, equity and commodity prices, market volatility and liquidity.

- ***Balance Sheet Risk* -** risk (balance sheet) to earnings and capital from changes in interest rates and liquidity, and the value of foreign currency capital fluctuations.

- ***Operating Risk* -** inherent risks of conducting day to day business operations, including preparedness to recover from a disaster, processing and settling of transactions, safeguarding of assets and adherence to laws and regulations etc.

These risks are managed within an overall risk management framework that provides well defined standards, policies and processes. The risk management processes are subject to the oversight of the Risk Management Committee of the Board. This includes the review of risk exposures and prudential policies and controls (including establishing approval authorities for the management of exposures).

Specialist units assist the Risk Management Committee in its oversight capacity and are responsible for the strategic co-ordination of risk matters. The Board, with respect to credit risk management, has delegated credit authority limits for the approval of the majority of larger credit risk transactions to the Credit Approvals Committee. The Credit Portfolio and Policy Committee also provides consultative and advisory input on matters relating to credit portfolio strategy, policy and process. The Global Funds Management Committee co-ordinates matters relating to balance sheet and trading risk.

An Operating Risk Committee has been established with a charter that includes: establishing and maintaining operating risk management policy; reviewing and approving key practices relating to areas covered by operating risk policy; establishing a framework for analysis, evaluation and monitoring of operating risk; and approval of deviations from operating risk policy. Operating risks are managed by business units as part of the day to day running of all business operations.

CHIEF EXECUTIVE OFFICER'S REVIEW OF OPERATIONS (continued)

AUSTRALIA

	1996	1995	Increase/ decrease
Operating profit before debt provisions ($M)	**1,016**	1,055	-4%
Operating profit after tax ($M)			
Banking	**498**	435	14%
Esanda	**100**	114	-12%
Funds Management	**59**	63	-6%
	657	612	7%
Operating profit after tax as a % of average risk weighted assets	**1.2%**	1.2%	n/a
Operating expenses to net operating income	**70.7%**	67.7%	n/a
Operating expenses to average assets	**3.5%**	3.4%	n/a
Specific provision charge as a % of average net advances	**0.2%**	0.1%	n/a
Net non-accrual loans ($M)	**586**	911	-36%
Net non-accrual loans as a % of net advances	**0.9%**	1.6%	n/a
Lending growth (%)	**9.8%**	8.0%	n/a
Total assets ($M)	**75,110**	67,594	11%
Risk weighted assets ($M)	**59,681**	53,531	11%
Employees (FTE)	**23,727**	23,129	3%

In Australia, there was a reduction in operating profit before debt provisions which was offset by lower provisions and a lower effective tax rate.

Lending growth of 9.8% was achieved. Competitive pressures reduced retail fee income and spreads. However, lower non-accrual loans, positive asset and liability management activities and the repatriation of capital to Australia following the migration of ANZ Grindlays Bank, helped maintain margins. Personnel costs increased as a result of additional staff being employed in the implementation phase of the major change programs, salary increases from the enterprise bargaining agreement, the effect of the move to total employment cost packaging for managerial staff, restructuring expenses and profit participation for staff.

The specific provision charge in Australia increased. This reflected a lower level of recoveries and writebacks rather than an increase in new and top-up provisions (which remained stable). Total credit costs in Australia were lower as the reduction in the general provision charge offset the higher specific provision charge. Increased levels of tax preferred income and the favourable resolution of issues under dispute with Revenue Authorities led to a lower effective tax rate.

Our cards business continues to perform well. The issuing of 370,000 ANZ Telstra cards since the launch in June 1995, has significantly increased our penetration in the cards market and led to a 45% increase in turnover through our card business.

Esanda achieved $4.9 billion in new business writings, an increase of 2.5% on 1995. Market conditions were very competitive which caused a decline in margins and overall profit.

ANZ Funds Management again achieved strong growth in sales through the branch network with total retail funds under management increasing by 11% to $7.2 billion. Profits were slightly below the 1995 record profit which benefited from a reassessment of mortality assumptions.

CHIEF EXECUTIVE OFFICER'S REVIEW OF OPERATIONS (continued)

NEW ZEALAND

	1996	1995	Increase/ decrease
Operating profit before debt provisions ($M)	**222**	224	-1%
Operating profit after tax ($M)	**138**	146	-5%
Operating profit after tax as a % of average risk weighted assets	**1.1%**	1.3%	n/a
Operating expenses to net operating income	**74.3%**	72.7%	n/a
Operating expenses to average assets	**4.0%**	4.0%	n/a
Specific provision charge as a % of average net advances	**0.1%**	0.1%	n/a
Net non-accrual loans ($M)	**80**	73	10%
Net non-accrual loans as a % of net advances	**0.6%**	0.6%	n/a
Lending growth (%)	**13.1%**	20.7%	n/a
Total assets ($M)	**17,463**	15,310	14%
Risk weighted assets ($M)	**13,492**	11,748	15%
Employees (FTE)	**5,939**	6,205	-4%

In New Zealand, underlying earnings were stable.

The net interest margin fell 42 basis points reflecting competitive market conditions. This offset the 13.1% growth in lending assets, resulting in steady net interest income. Operating lease and cards income grew strongly.

While costs increased by 8% year on year, principally reflecting increased restructuring costs and direct revenue costs, there was little increase in the second half. The charge for bad debts was stable, while the effective tax rate was higher (in 1995 there was a release of $10 million tax provision).

The restructuring of our operations and consequent shift to electronic banking has continued. The ATM network was expanded by 11%, the number of EFTPOS terminals was doubled (to 11,514) and the capability of the telephone banking service enhanced. A further 60 branches were closed resulting in a 4.3% decrease in staff numbers.

The finance company subsidiary, UDC, continued to achieve strong growth, particularly in its operating lease business. New Zealand's Funds Management operations achieved a 42% lift in funds under management surpassing NZD 1 billion.

CHIEF EXECUTIVE OFFICER'S REVIEW OF OPERATIONS (continued)

INTERNATIONAL MARKETS

	1996	1995	Increase/ decrease
Operating profit before debt provisions ($M)	**531**	443	20%
Operating profit after tax ($M)			
UK and Europe	**106**	83	28%
Asia Pacific	**99**	79	25%
South Asia	**36**	27	33%
Americas	**38**	39	-3%
Middle East	**42**	47	-11%
	321	275	17%
Operating profit after tax as a % of average risk weighted assets	**1.7%**	1.6%	n/a
Operating expenses to net operating income	**50.9%**	54.1%	n/a
Operating expenses to average assets	**1.6%**	1.7%	n/a
Specific provision credit as a % of average net advances	**(0.0%)**	(0.1%)	n/a
Net non-accrual loans ($M)	**58**	96	-40%
Net non-accrual loans as a % of net advances	**0.4%**	0.8%	n/a
Lending growth (%)	**18.4%**	29.4%	n/a
Total assets ($M)	**35,031**	29,683	18%
Risk weighted assets ($M)	**20,344**	17,797	14%
Employees (FTE)			
UK and Europe	**938**	934	0%
Asia Pacific	**2,651**	2,617	1%
South Asia	**4,902**	4,874	1%
Americas	**162**	160	1%
Middle East	**1,402**	1,321	6%
Employees (FTE)	**10,055**	9,906	2%

Profits from international markets increased 17% to $321 million, with the operating profit before provisions growing by 20%. This was achieved despite the continuing cost of funding the deposit with the National Housing Bank and restructuring provisions particularly in South Asia.

Lending growth of 18% was achieved across the network with stable margins. The strongest growth was achieved in Asia Pacific while the good growth achieved in South Asia is masked by the appreciation of the Australian dollar against the rupee.

A strong performance by our investment banking operations in London, particularly in the second half, underpinned the improvement in profits from UK/Europe.

Our business in the Middle East performed satisfactorily; the 1995 profit benefited from provision write-backs.

FINANCIAL INFORMATION

Year Ended 30 September 1996

PROFIT AND LOSS ACCOUNT

	Page Ref	Full year Sep 96 $M	Half year Sep 96 $M	Half year Mar 96 $M	Full year Sep 95 $M	Movt Sep 96 v. Sep 95 %
Total income	19	**11,382**	5,791	5,591	10,285	11%
Interest income		**9,286**	4,709	4,577	8,310	12%
Interest expense		**(5,969)**	(3,038)	(2,931)	(5,229)	14%
Net interest income		**3,317**	1,671	1,646	3,081	8%
Other operating income	19	**2,096**	1,082	1,014	1,975	6%
Total net operating income		**5,413**	2,753	2,660	5,056	7%
Operating expenses	20	**(3,644)**	(1,876)	(1,768)	(3,334)	9%
Operating profit before debt provisions		**1,769**	877	892	1,722	3%
Provisions for doubtful debts	21					
Specific		**(117)**	(36)	(81)	(63)	86%
General		**(37)**	(16)	(21)	(111)	-67%
Operating profit		**1,615**	825	790	1,548	4%
Income tax expense						
Operating profit		**(490)**	(225)	(265)	(505)	-3%
Abnormal items	21	**-**	-	-	19	-100%
Income tax expense	22	**(490)**	(225)	(265)	(486)	1%
Operating profit after income tax		**1,125**	600	525	1,062	6%
Outside equity interests		**(9)**	(4)	(5)	(10)	-10%
Operating profit after income tax attributable to members of the Company		**1,116**	596	520	1,052	6%
Retained profits at start of period		**1,106**	1,355	1,106	585	89%
Total available for appropriation		**2,222**	1,951	1,626	1,637	36%
Transfers to reserves		**(55)**	(26)	(29)	(27)	104%
Dividends provided for or paid	23					
Ordinary shares		**(584)**	(342)	(242)	(424)	38%
Preference shares		**-**	-	-	(80)	-100%
Retained profits at end of period		**1,583**	1,583	1,355	1,106	43%

BALANCE SHEET

	Page Ref	As at Sep 96 $M	As at Mar 96 $M	As at Sep 95 $M	Movt Sep 96 v. Sep 95 %
Assets					
Liquid assets		**6,901**	6,178	5,054	37%
Due from other banks		**11,352**	10,342	8,759	30%
Trading securities		**7,334**	5,755	5,785	27%
Investment securities	24	**2,570**	2,403	2,833	-9%
Net loans and advances	24	**75,901**	71,901	68,216	11%
Customers' liability for acceptances		**14,013**	13,901	12,646	11%
Regulatory deposits		**1,163**	1,122	1,174	-1%
Shares in associates		**10**	10	10	0%
Other assets		**6,340**	6,218	6,119	4%
Premises and equipment		**2,020**	2,019	1,991	1%
Total assets		**127,604**	119,849	112,587	13%
Liabilities					
Due to other banks		**12,682**	12,901	11,161	14%
Deposits and other borrowings		**79,709**	74,182	70,238	13%
Liability for acceptances		**14,013**	13,901	12,646	11%
Income tax liability		**575**	614	652	-12%
Creditors and other liabilities		**7,471**	6,778	6,481	15%
Provisions		**954**	858	862	11%
Bonds and notes		**2,264**	1,545	1,579	43%
Loan capital		**3,600**	3,021	3,221	12%
Total liabilities		**121,268**	113,800	106,840	14%
Net assets		**6,336**	6,049	5,747	10%
Shareholders' equity					
Paid-up capital		**1,478**	1,466	1,446	2%
Reserves		**3,229**	3,184	3,148	3%
Retained profits		**1,583**	1,355	1,106	43%
Share capital and reserves attributable to members of the Company		**6,290**	6,005	5,700	10%
Outside equity interests		**46**	44	47	-2%
Total shareholders' equity and outside equity interests		**6,336**	6,049	5,747	10%
Derivative financial instruments	33				
Contingent liabilities	38				

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Full year Sep 96 $M	Half year Sep 96 $M	Half year Mar 96 $M	Full year Sep 95 $M	Movt Sep 96 v. Sep 95 %
Issued and paid-up capital					
Balance at start of period	**1,446**	1,466	1,446	1,360	6%
Conversion of preference shares	**-**	-	-	(6)	-100%
Ordinary shares					
Shares issued on conversion of preference shares	**-**	-	-	129	-100%
Share buy-back	**-**	-	-	(100)	-100%
Dividend reinvestment plan	**23**	10	13	47	-51%
Employee share purchase scheme	**3**	-	3	2	50%
Bonus option plan	**6**	2	4	11	-45%
Senior officers' share purchase scheme	**#**	#	#	3	-100%
Directors' share and option purchase scheme	**#**	#	#	#	0%
Total issued and paid-up capital	**1,478**	1,478	1,466	1,446	2%
Share premium reserve					
Balance at start of period	**2,516**	2,593	2,516	2,905	-13%
Premium on issue of shares	**121**	44	77	621	-81%
Conversion of preference shares	**-**	-	-	(594)	-100%
Share buy-back	**-**	-	-	(416)	-100%
	2,637	2,637	2,593	2,516	5%
Foreign currency translation reserve					
Balance at start of period	**(88)**	(158)	(88)	(87)	1%
Currency translation adjustments, net of hedges after tax	**(95)**	(25)	(70)	(1)	9400%
	(183)	(183)	(158)	(88)	108%
General reserve					
Balance at start of period	**571**	600	571	544	5%
Transfers from retained profits	**55**	26	29	27	104%
	626	626	600	571	10%
Capital reserves	**149**	149	149	149	0%
Total reserves	**3,229**	3,229	3,184	3,148	3%

Amounts less than $500,000

STATEMENT OF CASH FLOWS

	Page Ref	Full year Sep 96 Inflows (Outflows) $M	Half year Sep 96 Inflows (Outflows) $M	Half year Mar 96 Inflows (Outflows) $M	Full year Sep 95 Inflows (Outflows) $M
Cash flows from operating activities					
Interest received		**9,458**	4,814	4,644	7,945
Dividends received		**111**	80	31	4
Fees and other income received		**1,946**	959	987	1,918
Interest paid		**(6,136)**	(3,075)	(3,061)	(4,864)
Personnel expenses paid		**(1,850)**	(960)	(890)	(1,618)
Premises expenses paid		**(351)**	(164)	(187)	(362)
Other operating expenses paid		**(1,134)**	(529)	(605)	(1,118)
Income taxes paid					
Australia		**(183)**	(74)	(109)	-
Overseas		**(170)**	(74)	(96)	(153)
Net increase in trading securities		**(1,595)**	(1,568)	(27)	(1,222)
Net cash provided by(used in) operating	39	**96**	(591)	687	530
Cash flows from investing activities					
Net (increase)decrease in					
Due from other banks		**(171)**	(69)	(102)	(1,801)
Regulatory deposits		**(28)**	(37)	9	(291)
Net loans and advances		**(8,269)**	(3,918)	(4,351)	(7,487)
Investment securities					
Purchases		**(2,166)**	(1,432)	(734)	(6,949)
Proceeds from sale or maturity		**2,381**	1,304	1,077	8,573
Controlled entities					
Purchased (net of cash acquired)		**13**	13	-	(81)
Proceeds from sale (net of cash disposed)		**14**	14	-	14
Premises and equipment					
Purchases		**(412)**	(188)	(224)	(361)
Proceeds from sale		**104**	60	44	69
Other		**(954)**	(334)	(620)	(50)
Net cash used in investing activities		**(9,488)**	(4,587)	(4,901)	(8,364)
Cash flows from financing activities					
Net increase(decrease) in					
Due to other banks		**2,094**	(167)	2,261	520
Deposits and other borrowings		**10,109**	5,350	4,759	6,080
Creditors and other liabilities		**879**	610	269	(186)
Bonds and notes					
Issue proceeds		**1,427**	1,196	231	655
Redemptions		**(655)**	(461)	(194)	(578)
Loan capital					
Issue proceeds		**634**	634	-	165
Redemptions		**(110)**	(6)	(104)	-
Decrease in outside equity interests		**(8)**	(2)	(6)	(8)
Dividends paid		**(354)**	(197)	(157)	(241)
Share capital issues		**18**	2	16	19
Share buy-back		-	-	-	(516)
Net cash provided by financing activities		**14,034**	6,959	7,075	5,910
Net cash provided by(used in) operating activities		**96**	(591)	687	530
Net cash used in investing activities		**(9,488)**	(4,587)	(4,901)	(8,364)
Net cash provided by financing activities		**14,034**	6,959	7,075	5,910
Net increase(decrease) in cash and cash equivalents		**4,642**	1,781	2,861	(1,924)
Cash and cash equivalents at beginning of period		**7,079**	9,525	7,079	9,092
Foreign currency translation on opening balances		**(475)**	(60)	(415)	(89)
Cash and cash equivalents at end of peri	39	**11,246**	11,246	9,525	7,079

INCOME

	Full year Sep 96 $M	Half year Sep 96 $M	Half year Mar 96 $M	Full year Sep 95 $M	Movt Sep 96 v. Sep 95 %
Interest income	**9,286**	4,709	4,577	8,310	12%
Other operating income					
Fee income					
Lending	**550**	268	282	537	2%
Other	**854**	445	409	801	7%
Total fee income	**1,404**	713	691	1,338	5%
Other income					
Foreign exchange earnings	**231**	114	117	226	2%
Profit on trading instruments	**113**	69	44	96	18%
Operating lease income	**116**	60	56	89	30%
Life insurance fund surplus	**55**	26	29	52	6%
Rental income	**36**	17	19	33	9%
Development ventures					
Income	**6**	4	2	13	-54%
Diminution in value	**7**	5	2	14	-50%
Profit on disposal of premises and equipment	**10**	6	4	4	150%
Other[1]	**118**	68	50	110	7%
Total other income	**692**	369	323	637	9%
Total other operating income	**2,096**	1,082	1,014	1,975	6%
Total income[2]	**11,382**	5,791	5,591	10,285	11%

[1] *Includes dividend income of $111 million (Half-year Sep 96: $80 million; Half-year Mar 96: $31 million; Full year Sep 95: $4 million)*
[2] *Refer page 30 for a geographic split of income*

OPERATING EXPENSES

	Full year Sep 96 $M	Half year Sep 96 $M	Half year Mar 96 $M	Full year Sep 95 $M	Movt Sep 96 v. Sep 95 %
Operating expenses					
Personnel					
Salaries and wages	**1,387**	692	695	1,270	9%
Pension fund	**105**	56	49	93	13%
Employee taxes					
Payroll tax	**73**	38	35	64	14%
Fringe benefits tax	**53**	27	26	48	10%
Provision for employee entitlements	**29**	19	10	19	53%
Retrenchment and redeployment	**57**	47	10	13	338%
Other	**158**	94	64	116	36%
Total personnel expenses	**1,862**	973	889	1,623	15%
Premises					
Rent	**204**	100	104	207	-1%
Depreciation of buildings	**31**	15	16	31	0%
Amortisation of leasehold improvements	**13**	7	6	16	-19%
Other	**137**	70	67	147	-7%
Total premises expenses	**385**	192	193	401	-4%
Other					
Direct income-related expenditure					
Brokerage	**61**	31	30	67	-9%
Interchange and card costs	**172**	85	87	150	15%
Operating lease depreciation	**62**	32	30	49	27%
	295	148	147	266	11%
Computer costs					
Depreciation	**97**	51	46	86	13%
Other	**231**	118	113	224	3%
Non-lending losses, frauds and forgeries	**55**	24	31	79	-30%
Depreciation of furniture and equipment	**52**	26	26	54	-4%
Loss on disposal of premises and equipment	**24**	20	4	5	380%
Other	**643**	324	319	596	8%
Total other expenses	**1,397**	711	686	1,310	7%
Total operating expenses	**3,644**	1,876	1,768	3,334	9%
Total operating expenses by geographic segmentation[1]					
Australia	**2,452**	1,268	1,184	2,216	11%
New Zealand	**641**	321	320	596	8%
Principal domestic markets	**3,093**	1,589	1,504	2,812	10%
International markets	**551**	287	264	522	6%
Total Group	**3,644**	1,876	1,768	3,334	9%

[1] *Segmentation is based upon the domicile of the entity incurring the external expense*

DOUBTFUL DEBTS CHARGE

	Full year Sep 96 $M	Half year Sep 96 $M	Half year Mar 96 $M	Full year Sep 95 $M
New and increased provisions	**292**	145	147	293
Provision releases	**(129)**	(79)	(50)	(178)
	163	66	97	115
Recoveries of amounts previously written off	**(46)**	(30)	(16)	(52)
Specific provision	**117**	36	81	63
General provision	**37**	16	21	111
Total provision for doubtful debts	**154**	52	102	174

ABNORMAL ITEMS

	Full year Sep 96 $M	Half year Sep 96 $M	Half year Mar 96 $M	Full year Sep 95 $M
Abnormal tax benefit				
Restatement of net deferred tax balances from the increase in the Australian corporate tax rate	-	-	-	19

INCOME TAX EXPENSE

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

	Full year Sep 96 $M	Half year Sep 96 $M	Half year Mar 96 $M	Full year Sep 95 $M
Operating profit before income tax and abnormal items	**1,615**	825	790	1,548
Prima facie income tax at 36% (1995: 33%)	**581**	297	284	511
Tax effect of permanent differences				
Overseas tax rate differential	**1**	(2)	3	18
Rebateable and non-assessable dividends	**(41)**	(30)	(11)	(4)
Other non-assessable income	**(27)**	(11)	(16)	(34)
Non-allowable depreciation and amortisation	**4**	3	1	3
General provision for doubtful debts	**13**	5	8	37
Other	**(19)**	(14)	(5)	(10)
	512	248	264	521
Income tax (over)under provided in prior years	**(22)**	(23)	1	(16)
Total income tax expense on operating profit	**490**	225	265	505
Abnormal items				
Prima facie income tax at 36% (1995: 33%)	-	-	-	-
Tax effect of permanent differences				
Restatement of net deferred tax balances from the increase in the Australian corporate tax rat	-	-	-	(19)
Total income tax benefit on abnormal items	-	-	-	(19)
Total income tax expense on operating profit after abnormal items	**490**	225	265	486
Current	**355**	123	232	365
Deferred	**135**	102	33	121
	490	225	265	486
Australia	**229**	93	136	271
Overseas	**261**	132	129	215
	490	225	265	486
Effective tax rate				
- before abnormal items	**30.3%**	27.3%	33.5%	32.6%
- after abnormal items	**30.3%**	27.3%	33.5%	31.4%

DIVIDENDS

	Full year Sep 96	Half year Sep 96	Half year Mar 96	Full year Sep 95
Dividend per ordinary share (cents)				
Interim[1]	**18**	n/a	18	15
Final[2]	**24**	24	n/a	18
Ordinary share dividend ($M)				
Interim[1]	**264**	n/a	264	208
Final[2]	**355**	355	n/a	260
Bonus option plan	**(35)**	(13)	(22)	(44)
Total	**584**	342	242	424

[1] *The Mar 1996 interim dividend of 18 cents was franked to 9 cents at 36%*
[2] *The Sep 1996 final dividend of 24 cents is fully franked at 36%. The Sep 1995 final dividend of 18 cents was franked to 6 cents at 36%*

The directors propose that a final dividend of 24 cents per share be paid on each fully paid ordinary share. The dividend will be fully franked at 36%. Non-resident shareholders will be exempt from dividend withholding tax on the full dividend.

Dividend payout on ordinary shares (before bonus option plan) is $619 million for the 1996 financial year (final $355 million and interim $264 million) compared to 1995 full year of $468 million (final $260 million and interim $208 million).

The proposed final dividend will be formally declared on 16 December 1996 and will be payable on 15 January 1997 to shareholders registered in the books of the Company at close of business on 13 December 1996. Transfers must be lodged before 5.00pm on that day to participate. Dividends payable to shareholders on the United Kingdom and New Zealand registers will be converted to local currency at the appropriate rate for telegraphic transfers on 13 December 1996.

	Full year Sep 96	Half year Sep 96	Half year Mar 96	Full year Sep 95
Preference share dividend ($M)				
Unfranked				
January	-	-	-	40
July	-	-	-	40
Total	-	-	-	80
Dividend payout ratio (%)				
Before abnormal items				
Ordinary	**55.5%**	57.5%	50.8%	49.1%
Ordinary and preference	**n/a**	n/a	n/a	53.0%
After abnormal items				
Ordinary	**55.5%**	59.6%	50.8%	48.1%
Ordinary and preference	**n/a**	n/a	n/a	52.1%

EARNINGS PER SHARE

	Full year Sep 96	Half year Sep 96	Half year Mar 96	Full year Sep 95
Earnings per share (cents)				
Basic[1]				
Before abnormal item	**76.3**	40.5	35.8	68.5
After abnormal item	**76.3**	40.5	35.8	69.9
Weighted average number of shares used in the calculation of earnings per share (millions)	**1,462.3**	1,471.5	1,452.9	1,390.3

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

INVESTMENT SECURITIES

	As at Sep 96 $M	As at Mar 96 $M	As at Sep 95 $M	Movt Sep 96 v. Sep 95 %
Total book value	**2,570**	2,403	2,833	-9%
Total market value	**2,567**	2,395	2,826	-9%

NET LOANS AND ADVANCES

Total gross loans and advances[1]	**77,119**	73,253	69,596	11%
Less: provisions for doubtful debts	**(1,218)**	(1,352)	(1,380)	-12%
Total net loans and advances	**75,901**	71,901	68,216	11%

[1] *Net of income yet to mature*

IMPAIRED ASSETS

	As at Sep 96 $M	As at Mar 96 $M	As at Sep 95 $M	Movt Sep 96 v. Sep 95 %
Summary of impaired assets				
Non-accrual loans	**1,225**	1,600	1,774	-31%
Restructured loans	**33**	26	25	32%
Unproductive facilities	**82**	83	86	-5%
Gross impaired assets	**1,340**	1,709	1,885	-29%
Less: specific provisions				
Non-accrual loans	**(501)**	(650)	(694)	-28%
Unproductive facilities	**(8)**	(9)	(8)	0%
Net impaired assets	**831**	1,050	1,183	-30%
Non-accrual loans				
Non-accrual loans	**1,225**	1,600	1,774	-31%
Specific provisions	**(501)**	(650)	(694)	-28%
Total net non-accrual loans	**724**	950	1,080	-33%
Before specific provisions				
Australia	**911**	1,253	1,393	-35%
New Zealand	**128**	137	120	7%
Principal domestic markets	**1,039**	1,390	1,513	-31%
International markets	**186**	210	261	-29%
Total non-accrual loans	**1,225**	1,600	1,774	-31%
After specific provisions				
Australia	**586**	803	911	-36%
New Zealand	**80**	91	73	10%
Principal domestic markets	**666**	894	984	-32%
International markets	**58**	56	96	-40%
Total net non-accrual loans	**724**	950	1,080	-33%

IMPAIRED ASSETS (continued)

	As at Sep 96 $M	As at Mar 96 $M	As at Sep 95 $M	Movt Sep 96 v. Sep 95 %
Restructured loans				
Australia	**29**	24	25	16%
New Zealand	**4**	2	-	100%
International markets	**-**	-	-	0%
	33	26	25	32%
Other real estate owned (OREO)	**-**	-	-	0%

In the event of customer default, any loan security is held as mortgagee in possession and therefore the Group does not hold any Other Real Estate Owned assets.

Unproductive facilities				
Australia	**19**	20	25	-24%
New Zealand	**43**	43	43	-
International markets	**20**	20	18	11%
	82	83	86	-5%
Specific provisions	**(8)**	(9)	(8)	-
Net unproductive facilities	**74**	74	78	-5%

Accruing loans past due 90 days or more [1]

The following amounts are not classified as impaired assets and therefore are not included within the summary on page 25.

Australia	**178**	156	120	48%
New Zealand	**21**	27	16	31%
International markets	**13**	11	17	-24%
	212	194	153	39%

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

IMPAIRED ASSETS (continued)

Further analysis of non-accrual loans at 30 September 1996 and interest and/or other income received during the period is as follows:

Non-accrual loans	**Gross balance outstanding $M**	**Specific provision $M**	**Interest and/or other income received $M**
Without provisions			
Australia	207	-	24
New Zealand	28	-	1
International markets	32	-	2
	267	-	27
With provisions and no, or partial, performance[1]			
Australia	552	275	30
New Zealand	86	42	2
International markets	123	117	3
	761	434	35
With provisions and full performance[1]			
Australia	152	50	15
New Zealand	14	6	1
International markets	31	11	3
	197	67	19
Total non-accrual loans	1,225	501	81

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

Total interest forgone on impaired assets

The following table shows the estimated amount of interest income forgone, net of interest recoveries, on average impaired assets during the period.

	Full year Sep 96 $M	**Half year Sep 96 $M**	**Half year Mar 96 $M**	**Full year Sep 95 $M**
Gross interest receivable on impaired assets				
Australia	**149**	71	78	214
New Zealand	**13**	7	6	16
International markets	**19**	7	12	40
Total gross interest receivable on impaired assets	**181**	85	96	270
Interest income received				
Australia	**(69)**	(39)	(30)	(87)
New Zealand	**(4)**	(2)	(2)	(15)
International markets	**(8)**	(5)	(3)	(46)
Total interest income received	**(81)**	(46)	(35)	(148)
Net interest forgone				
Australia	**80**	32	48	127
New Zealand	**9**	5	4	1
International markets	**11**	2	9	(6)
Total net interest forgone	**100**	39	61	122

PROVISIONS FOR DOUBTFUL DEBTS

	As at Sep 96 $M	As at Mar 96 $M	As at Sep 95 $M
Specific provision balance			
Australia	**327**	453	484
New Zealand	**48**	46	47
Principal domestic markets	**375**	499	531
International markets	**134**	160	171
Total specific provision	**509**	659	702
General provision	**709**	693	678
Total provisions for doubtful debts	**1,218**	1,352	1,380

	Full year Sep 96 $M	Half year Sep 96 $M	Half year Mar 96 $M	Full year Sep 95 $M
Specific provision				
Balance at start of period	**702**	659	702	1,085
Adjustment for exchange rate fluctuations	**(10)**	(3)	(7)	(1)
Bad debts written off	**(346)**	(213)	(133)	(497)
Transfer from profit and loss	**163**	66	97	115
	509	509	659	702
General provision				
Balance at start of period	**678**	693	678	567
Adjustment for exchange rate fluctuations	**(6)**	-	(6)	-
Charge to profit and loss	**37**	16	21	111
	709	709	693	678
Total provisions for doubtful debts	**1,218**	1,218	1,352	1,380

SHARE CAPITAL AND OPTIONS

	As at Sep 96	As at Mar 96	As at Sep 95
Number of issued shares			
Ordinary shares of $1 each fully paid (listed)	**1,478,089,641**	1,465,766,620	1,446,047,877
Ordinary shares of $1 each fully paid (unlisted)	**-**	50,000	-
Ordinary shares of $1 each paid to 10 cents per share	**687,500**	839,500	929,500
Total number of issued shares	**1,478,777,141**	1,466,656,120	1,446,977,377

Options	Latest date of conversion	Number	Conversion price
Directors' Share and Option Purchase Scheme			
On issue at 30 September 1996	1 March 1998	100,000	3.43
Issued during the period	-	-	-
Lapsed during the period	-	-	-
Exercised during the period }	-	50,000	3.43
}	-	50,000	4.08
ANZ Group Share Option Scheme			
On issue at 30 September 1996	31 January 1999	7,630,000	5.34
Issued during the period	-	-	-
Lapsed during the period	-	80,000	-
Exercised during the period	-	-	-

SEGMENT ANALYSIS

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

GEOGRAPHICAL

	Full year Sep 96 $M	Half year Sep 96 $M	Half year Mar 96 $M	Full year Sep 95 $M	Movt Sep 96 v. Sep 95 %
Income					
Australia	**6,623**	3,345	3,278	6,145	8%
New Zealand	**1,886**	979	907	1,657	14%
Principal domestic markets	**8,509**	4,324	4,185	7,802	9%
UK and Europe	**1,000**	536	464	861	16%
Asia Pacific	**826**	413	413	680	21%
South Asia	**435**	209	226	339	28%
Americas	**325**	168	157	317	3%
Middle East	**287**	141	146	286	0%
International markets	**2,873**	1,467	1,406	2,483	16%
	11,382	5,791	5,591	10,285	11%
Operating profit before tax					
Australia	**886**	449	437	903	-2%
New Zealand	**203**	103	100	204	0%
Principal domestic markets	**1,089**	552	537	1,107	-2%
UK and Europe	**155**	96	59	116	34%
Asia Pacific	**147**	71	76	124	19%
South Asia	**81**	27	54	57	42%
Americas	**64**	40	24	60	7%
Middle East	**79**	39	40	84	-6%
International markets	**526**	273	253	441	19%
	1,615	825	790	1,548	4%
Operating profit after tax					
Australia	**657**	356	301	612	7%
New Zealand	**138**	70	68	146	-5%
Principal domestic markets	**795**	426	369	758	5%
UK and Europe	**106**	67	39	83	28%
Asia Pacific	**99**	46	53	79	25%
South Asia	**36**	12	24	27	33%
Americas	**38**	24	14	39	-3%
Middle East	**42**	21	21	47	-11%
International markets	**321**	170	151	275	17%
	1,116	596	520	1,033	8%
Abnormal items - Australia	-	-	-	19	-100%
	1,116	596	520	1,052	6%

SEGMENT ANALYSIS (continued)

	As at Sep 96 $M	As at Mar 96 $M	As at Sep 95 $M	Movt Sep 96 v. Sep 95 %
Total assets				
Australia	**75,110**	71,258	67,594	11%
New Zealand	**17,463**	16,612	15,310	14%
Principal domestic markets	**92,573**	87,870	82,904	12%
UK and Europe	**15,008**	13,167	12,001	25%
Asia Pacific	**9,163**	9,169	7,874	16%
South Asia	**3,333**	3,325	3,306	1%
Americas	**4,723**	3,531	3,666	29%
Middle East	**2,804**	2,787	2,836	-1%
International markets	**35,031**	31,979	29,683	18%
	127,604	119,849	112,587	13%
Risk weighted assets				
Australia	**59,681**	56,958	53,531	11%
New Zealand	**13,492**	13,013	11,748	15%
Principal domestic markets	**73,173**	69,971	65,279	12%
UK and Europe	**6,220**	5,575	5,238	19%
Asia Pacific	**5,358**	5,005	4,766	12%
South Asia	**2,244**	2,281	2,213	1%
Americas	**4,527**	3,432	3,535	28%
Middle East	**1,995**	1,932	2,045	-2%
International markets	**20,344**	18,225	17,797	14%
	93,517	88,196	83,076	13%

SEGMENT ANALYSIS (continued)

INDUSTRY

Income	Full year Sep 96 $M	Half year Sep 96 $M	Half year Mar 96 $M	Full year Sep 95 $M	Movt Sep 96 v. Sep 95 %
General and investment banking	**9,951**	5,057	4,894	8,955	11%
Finance	**1,253**	638	615	1,154	9%
Insurance and funds management	**178**	96	82	176	1%
	11,382	5,791	5,591	10,285	11%
Operating profit before tax					
General and investment banking	**1,330**	676	654	1,217	9%
Finance	**201**	104	97	234	-14%
Insurance and funds management	**84**	45	39	97	-13%
	1,615	825	790	1,548	4%
Operating profit after tax					
General and investment banking	**909**	491	418	793	15%
Finance	**133**	69	64	158	-16%
Insurance and funds management	**74**	36	38	82	-10%
	1,116	596	520	1,033	8%
Abnormal items	**-**	-	-	19	-100%
	1,116	596	520	1,052	6%
Total assets					
General and investment banking	**116,411**	116,411	108,947	102,120	14%
Finance	**10,639**	10,639	10,392	9,997	6%
Insurance and funds management	**554**	554	510	470	18%
	127,604	127,604	119,849	112,587	13%

DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives

Derivative instruments are contracts whose value is derived from one or more underlying financial instruments or indices. They include swaps, forward rate agreements, futures, options and combinations of these instruments. The use of derivatives and their sale to customers as risk management products is an integral part of the Group's trading activities. Derivatives are also used to manage the Group's own exposure to fluctuations in exchange and interest rates as part of its asset and liability management activities. Derivatives are subject to the same types of credit and market risk as other financial instruments, and the Group manages these risks in a consistent manner.

The principal exchange rate contracts used by the Group are forward foreign exchange contracts, currency swaps and currency options. Forward foreign exchange contracts are agreements to buy or sell a specified quantity of foreign currency on a specified future date at an agreed rate. A currency swap generally involves the exchange, or notional exchange, of equivalent amounts of two currencies and a commitment to exchange interest periodically until the principal amounts are re-exchanged on a future date. Currency options provide the buyer with the right, but not the obligation, either to purchase or sell a fixed amount of a currency at a specified rate on or before a future date. As compensation for assuming the option risk, the option writer generally receives a premium at the start of the option period.

The principal interest rate contracts used by the Group are forward rate agreements, interest rate futures, interest rate swaps and options. Forward rate agreements are contracts for the payment of the difference between a specified interest rate and a reference rate on a notional deposit at a future settlement date. There is no exchange of principal. An interest rate future is an exchange traded contract for the delivery of a standardised amount of a fixed income security or time deposit at a future date. Interest rate swap transactions generally involve the exchange of fixed and floating interest payment obligations without the exchange of the underlying principal amounts.

Derivative transactions generate income for the Group from the buy-sell spreads and from the trading positions taken by the Group. Income from these transactions is taken to net interest income, foreign exchange earnings or profit on trading instruments. Income or expense on derivatives entered into for balance sheet hedging purposes is accrued and recorded as an adjustment to the interest income or expense of the related hedged item.

Credit risk

The credit risk of derivative financial instruments arises from the potential for a counterparty to default on its contractual obligations.

Credit risk arises when market movements are such that the derivative has a positive value to the Group. It is the cost of replacing the contract in the event of counterparty default. The Group limits its credit risk within a conservative framework by dealing with creditworthy counterparties, setting credit limits on exposures to counterparties, and obtaining collateral where appropriate.

The following table provides an overview of the Group's exchange rate and interest rate derivatives. It includes all trading and non trading contracts. Notional principal amounts measure the amount of the underlying physical or financial commodity and represent the volume of outstanding transactions. They are not a measure of the risk associated with a derivative.

The gross replacement cost is the cost of replacing those financial instruments with a positive market value to the Group. It represents the potential credit loss had all counterparties defaulted on the reporting date and any collateral become worthless. There is no allowance for netting arrangements.

The credit equivalent amount is calculated in accordance with the Reserve Bank of Australia's Capital Adequacy guidelines. It combines the aggregate gross replacement cost with an allowance for the potential increase in value over the remaining term of the transaction should market conditions change.

DERIVATIVE FINANCIAL INSTRUMENTS (continued)

	30 September 1996			30 September 1995		
	Notional Principal Amount	Gross Replace-ment Cost	Credit Equiv. Amount	Notional Principal Amount	Gross Replace-ment Cost	Credit Equiv. Amount
	$M	$M	$M	$M	$M	$M
Foreign exchange contracts						
Spot and forward contracts	**159,243**	**1,487**	**2,916**	147,791	1,647	3,164
Swap agreements	**5,872**	**127**	**355**	3,127	35	162
Options purchased	**5,637**	**47**	**111**	6,569	103	175
Options sold[1]	**5,385**	**n/a**	**n/a**	6,243	n/a	n/a
	176,137	**1,661**	**3,382**	163,730	1,785	3,501
Interest rate contracts						
Forward rate agreements	**95,994**	**65**	**137**	72,754	55	86
Swap agreements	**148,495**	**1,256**	**1,567**	94,676	1,146	1,346
Futures contracts[2]	**87,864**	**n/a**	**n/a**	56,488	n/a	n/a
Options purchased	**4,001**	**8**	**15**	3,376	9	12
Options sold	**3,632**	**n/a**	**n/a**	3,249	n/a	n/a
Other contracts	**248**	**3**	**4**	64	11	13
	340,234	**1,332**	**1,723**	230,607	1,221	1,457
	516,371	**2,993**	**5,105**	394,337	3,006	4,958

[1] *Options sold have no credit exposures as they represent obligations rather than assets*
[2] *Replacement costs have not been included as there is minimal credit risk associated with exchange traded futures, where the clearing house is the counterparty*

The maturity structure of derivative activity is a primary component of potential credit exposure. The table below shows the remaining maturity profile by class of derivatives based on notional principal amounts.

	Remaining life							
	30 September 1996				30 September 1995			
	< 1yr	1-5 yrs	>5 yrs	Total	< 1yr	1-5 yrs	>5 yrs	Total
	$M	$M	$M	$M	$M	$M	$M	$M
Foreign exchange contracts								
Spot and forward contracts	**157,429**	**1,800**	**14**	**159,243**	145,087	2,686	18	147,791
Swap agreements	**1,645**	**3,921**	**306**	**5,872**	736	2,107	284	3,127
Options purchased	**5,454**	**183**	**-**	**5,637**	6,205	364	-	6,569
Options sold	**5,239**	**146**	**-**	**5,385**	6,033	210	-	6,243
	169,767	**6,050**	**320**	**176,137**	158,061	5,367	302	163,730
Interest rate contracts								
Forward rate agreements	**81,573**	**14,421**	**-**	**95,994**	66,639	6,115	-	72,754
Swap agreements	**86,096**	**58,518**	**3,881**	**148,495**	54,642	37,705	2,329	94,676
Futures contracts	**64,403**	**22,926**	**535**	**87,864**	40,221	16,224	43	56,488
Options purchased	**2,576**	**1,293**	**132**	**4,001**	2,426	868	82	3,376
Options sold	**2,269**	**1,230**	**133**	**3,632**	2,093	1,074	82	3,249
Other contracts	**228**	**19**	**1**	**248**	49	15	-	64
	237,145	**98,407**	**4,682**	**340,234**	166,070	62,001	2,536	230,607
Total	**406,912**	**104,457**	**5,002**	**516,371**	324,131	67,368	2,838	394,337

DERIVATIVE FINANCIAL INSTRUMENTS (continued)

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

The following table shows the concentrations of credit risk, by class of counterparty and by geographic location, measured by credit equivalent amount. In excess of 82% of the Group's exposures are with counterparties which are either Australian banks or banks based in other OECD countries.

Class of Counterparty	As at Sep 96 $M	As at Sep 95 $M
Commonwealth and OECD governments	**60**	99
Australian and OECD banks	**4,200**	3,993
Corporations, non-OECD banks and others	**845**	866
	5,105	4,958

Geographic location	As at Sep 96 $M	As at Sep 95 $M
Australia	**1,959**	1,889
New Zealand	**486**	363
International markets	**2,660**	2,706
	5,105	4,958

Market Risk

The market risk of derivatives arises from the potential for changes in value due to movements in interest and foreign exchange rates.

The Group calculates value at risk based on historical models of movements in interest rates and exchange rates, and using a 97.5% confidence level that the adverse movements will not exceed the value at risk. If value at risk is estimated to be $1 million, then based on historical analysis over 500 working days there is approximately one chance in 40 of seeing an adverse movement in excess of $1 million for the specified period. Reflecting the nature of its trading activities, the Group monitors its value at risk by reference to close-to-close (overnight) risk levels.

Below are the Group's aggregate value at risk figures covering both the Group's derivatives and related physical trading activities for its principal treasury trading centres.

	As at Sep 96 $M	Max for period Sep 96 $M	Ave for period Sep 96 $M	As at Sep 95 $M	Max for period Sep 95 $M	Ave for period Sep 95 $M
Value at risk at 97.5% confidence						
Foreign exchange	**2**	**5**	**2**	1	5	2
Interest rate	**10**	**13**	**6**	5	10	6

DERIVATIVE FINANCIAL INSTRUMENTS (continued)

The next table shows the fair values of the Group's derivatives by product type, disaggregated into gross unrealised gains and gross unrealised losses. The fair value of a derivative represents the aggregate net present value of the cash inflows and outflows required to extinguish the rights and obligations arising from the derivative in an orderly market as at the reporting date. Fair value does not indicate future gains or losses, but rather the unrealised gains and losses from marking to market all derivatives at a particular point in time.

	As at fair value		Average fair value	
	30 Sep 96	**30 Sep 95**	**30 Sep 96**	**30 Sep 95**
	$M	**$M**	**$M**	**$M**
Foreign exchange contracts				
Spot and forward contracts				
Unrealised gains	**1,510**	1,668	**1,515**	1,612
Unrealised losses	**(1,778)**	(1,801)	**(1,736)**	(1,788)
Swap agreements				
Unrealised gains	**127**	35	**88**	118
Unrealised losses	**(343)**	(254)	**(325)**	(266)
Options purchased	**47**	102	**66**	97
Options sold	**(73)**	(118)	**(104)**	(131)
	(510)	(368)	**(496)**	(358)
Interest rate contracts				
Forward rate agreements				
Unrealised gains	**65**	55	**5**	84
Unrealised losses	**(71)**	(65)	**(23)**	(86)
Swap agreements				
Unrealised gains	**1,256**	1,145	**1,174**	1,183
Unrealised losses	**(1,579)**	(1,504)	**(1,385)**	(1,415)
Futures contracts				
Unrealised gains	**6**	1	**12**	4
Unrealised losses	**(26)**	(14)	**(30)**	(7)
Options purchased	**8**	6	**7**	10
Options sold	**-**	(9)	**(7)**	(15)
Other contracts				
Unrealised gains	**3**	9	**2**	10
Unrealised losses	**-**	-	**-**	(1)
	(338)	(376)	**(245)**	(233)
Total	**(848)**	(744)	**(741)**	(591)

The fair values of derivatives vary over time depending on movements in interest and exchange rates and the trading or hedging strategies used. The negative fair value as at 30 September 1996 does not represent the profitability from such transactions. It arises from contracts that have generated net positive cash flows (on which interest is being earned) since their inception but which are expected to generate negative cash flows over their remaining term.

DERIVATIVE FINANCIAL INSTRUMENTS (continued)

In addition to customer and trading activities, the Group uses, inter alia, derivatives to manage the risk associated with its balance sheet. The principal objectives of asset/liability management are to hedge the market value of the Group's capital and to manage and control the sensitivity of the Group's income while maintaining acceptable levels of interest rate and liquidity risk. The Group also uses a variety of foreign exchange derivatives to hedge against adverse movements in the value of foreign currency denominated assets and liabilities.

The table below shows the notional principal amount, gross replacement cost and fair value of derivatives held by the Group, split between those entered into for customer-related and trading purposes and those entered into for balance sheet hedging purposes.

	30 September 1996			30 September 1995		
	Notional Principal Amount $M	Gross Replace-ment Cost $M	Fair Value $M	Notional Principal Amount $M	Gross Replace-ment Cost $M	Fair Value $M
Foreign exchange contracts						
Customer-related and trading pur|	**165,861**	**1,587**	**(323)**	158,218	1,695	(326)
Balance sheet hedging purposes	**10,276**	**74**	**(187)**	5,512	90	(42)
	176,137	**1,661**	**(510)**	163,730	1,785	(368)
Interest rate contracts						
Customer-related and trading pur|	**317,122**	**1,102**	**(396)**	211,835	992	(447)
Balance sheet hedging purposes	**23,112**	**230**	**58**	18,772	229	71
	340,234	**1,332**	**(338)**	230,607	1,221	(376)
Total	**516,371**	**2,993**	**(848)**	394,337	3,006	(744)

Detailed below are the net deferred realised and unrealised gains and losses arising from hedging contracts used to manage interest rate exposure or used to hedge anticipated transactions. These gains and losses are deferred only to the extent that there is an offsetting unrecognised gain or loss on the exposure being hedged. Deferred gains or losses are generally amortised over the expected term of the hedged exposure.

	Balance sheet hedging contracts	
	Sep 96 $M	Sep 95 $M
Expected recognition in income		
Within one year	**19**	43
One to two years	**(16)**	(20)
Two to five years	**39**	48
Greater than five years	**(20)**	(21)
	22	50

CONTINGENT LIABILITIES

General

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

India - National Housing Bank

The Branch of ANZ Grindlays Bank Limited in India ("the Bank") has received a claim, aggregating approximately Indian Rupees 5.06 billion ($179 million) from the National Housing Bank ("NHB") in that country. The claim arises out of certain cheques drawn by NHB in favour of the Bank, the proceeds of which were credited into the account of one of the customers of the Bank.

On 4 November 1992, and pursuant to a directive from the Reserve Bank of India ("RBI"), the Bank made a payment to NHB under protest, without admission of liability, and subject to an agreement with NHB, entered into on the same date, providing for arbitration of the disputes between the parties. The RBI, which is NHB’s parent company, has confirmed in writing, that it will ensure that NHB meets its liabilities under this arbitration agreement, including repaying the Bank if NHB loses the arbitration.

The arbitration is currently in progress and arbitration arrangements provide that the matter is treated as sub-judice and therefore comment by the parties is limited.

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

India - Financial markets scam

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

India - Foreign Exchange Regulation Act

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

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

NOTES TO THE STATEMENT OF CASH FLOWS

	Full year Sep 96 Inflows (Outflows) $M	Half year Sep 96 Inflows (Outflows) $M	Half year Mar 96 Inflows (Outflows) $M	Full year Sep 95 Inflows (Outflows) $M
Reconciliation of operating profit after income tax to net cash provided by(used in) operating activities				
Operating profit after income tax	**1,116**	596	520	1,052
Adjustments to reconcile to net cash provided by operating activities				
Provision for doubtful debts	**154**	52	102	174
Depreciation and amortisation	**255**	131	124	236
Provision for employee entitlements and othe	**189**	110	79	201
Payments from provisions	**(194)**	(111)	(83)	(190)
Provision for surplus lease space	**(7)**	(2)	(5)	2
Loss on property disposals	**14**	14	-	1
Decrease(increase) in interest receivable	**230**	142	88	(282)
(Decrease)increase in interest payable	**(167)**	(37)	(130)	364
Increase in trading securities	**(1,595)**	(1,568)	(27)	(1,222)
Decrease in net tax assets	**137**	77	60	333
Other	**(36)**	5	(41)	(139)
Net cash provided by(used in) operating ac	**96**	(591)	687	530
Reconciliation of cash				
Cash at the end of the period as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows				
Liquid assets - less than 90 days	**4,285**	4,285	3,546	2,824
Due from other banks - less than 90 days	**6,961**	6,961	5,979	4,255
	11,246	11,246	9,525	7,079
Non-cash financing and investment activities				
Share capital issues				
Dividend reinvestment plan	**135**	54	81	192
Bonus option plan	**6**	2	4	11

CAPITAL ADEQUACY

Qualifying capital	As at Sep 96 $M	As at Mar 96 $M	As at Sep 95 $M	Movt Sep 96 v. Sep 95 %
Tier 1				
Total shareholders' equity and outside equity interests	**6,336**	6,049	5,747	10%
Less: net future income tax benefit	**(46)**	(98)	(236)	-81%
unamortised goodwill	**(17)**	(17)	(8)	113%
Tier 1 capital	**6,273**	5,934	5,503	14%
Tier 2				
Perpetual subordinated notes	**895**	908	943	-5%
General provision for doubtful debts	**709**	693	678	5%
	1,604	1,601	1,621	-1%
Subordinated notes[1]	**2,419**	1,910	2,213	9%
Tier 2 capital	**4,023**	3,511	3,834	5%
Less: deductions[2]	**(476)**	(437)	(302)	58%
Total qualifying capital	**9,820**	9,008	9,035	9%
Ratios (%)				
Tier 1	**6.7%**	6.7%	6.6%	n/a
Tier 2	**4.3%**	4.0%	4.6%	n/a
	11.0%	10.7%	11.2%	n/a
Less: deductions[2]	**(0.5%)**	(0.5%)	(0.3%)	n/a
Total	**10.5%**	10.2%	10.9%	n/a
Risk weighted assets	**93,517**	88,196	83,076	13%

[1] *For capital adequacy calculation purposes, subordinated note issues are reduced each year by 20% of the original amount during the last five years to maturity*
[2] *Investments in ANZ Life and entities involved in funds management and securitisation activities*

AVERAGE BALANCE SHEET AND RELATED INTEREST

Averages used in the following table are predominantly daily averages. Interest income figures are presented on a tax-eq under the interest earning asset category loans, advances and bills discounted. Amounts classified as international marke banking offices and controlled entities that are outside Australia and New Zealand.

	Sep 1996 Full Year			Sep 1996 Half Year			Mar 199	
	Ave bal $M	Int $M	Rate %	Ave bal $M	Int $M	Rate %	Ave bal $M	I $
Interest earning assets								
Due from other banks								
Australia	**630**	**41**	**6.5**	824	26	6.3	436	1
New Zealand	**346**	**27**	**7.8**	294	11	7.5	398	1
International markets	**10,209**	**699**	**6.8**	10,223	359	7.0	10,195	34
Regulatory deposits with Reserve Bank of Austral	**535**	**13**	**2.4**	547	7	2.6	523	
Investments in public securities								
Australia	**4,897**	**380**	**7.8**	4,950	191	7.7	4,844	18
New Zealand	**1,090**	**88**	**8.1**	1,152	50	8.7	1,028	3
International markets	**2,973**	**289**	**9.7**	3,034	141	9.3	2,912	14
Loans, advances and bills discounted								
Australia	**48,399**	**4,939**	**10.2**	49,300	2,497	10.1	47,498	2,44
New Zealand	**12,619**	**1,315**	**10.4**	13,015	684	10.5	12,223	63
International markets	**11,770**	**1,084**	**9.2**	11,761	536	9.1	11,779	54
Other assets								
Australia	**618**	**53**	**8.6**	556	26	9.4	680	2
New Zealand	**760**	**77**	**10.1**	785	42	10.7	735	3
International markets	**4,825**	**293**	**6.1**	5,095	143	5.6	4,555	15
	99,671	**9,298**	**9.3**	101,536	4,713	9.3	97,806	4,58
Non-interest earning assets								
Acceptances								
Australia	**12,581**			13,178			11,984	
New Zealand	**597**			573			621	
International markets	**462**			326			598	
Premises and equipment	**2,027**			2,023			2,031	
Other assets	**6,842**			6,311			7,373	
Provisions for doubtful debts								
Australia	**(1,002)**			(992)			(1,012)	
New Zealand	**(118)**			(120)			(116)	
International markets	**(238)**			(221)			(255)	
	21,151			21,078			21,224	
Total assets	**120,822**			122,614			119,030	

AVERAGE BALANCE SHEET AND RELATED INTEREST (continued)

	Sep 1996 Full Year			Sep 1996 Half Year			Mar 199	
	Ave bal $M	Int $M	Rate %	Ave bal $M	Int $M	Rate %	Ave bal $M	I $
Interest bearing liabilities								
Time deposits								
Australia	**18,542**	**1,340**	**7.2**	18,485	663	7.2	18,599	67
New Zealand	**7,313**	**622**	**8.5**	7,853	343	8.7	6,773	27
International markets	**11,722**	**785**	**6.7**	12,022	391	6.5	11,422	39
Savings deposits								
Australia	**7,530**	**264**	**3.5**	7,591	133	3.5	7,469	13
New Zealand	**2,183**	**83**	**3.8**	2,225	44	4.0	2,141	3
International markets	**1,142**	**57**	**5.0**	1,105	27	4.9	1,179	3
Other demand deposits								
Australia	**8,683**	**520**	**6.0**	9,156	272	5.9	8,210	24
New Zealand	**1,534**	**121**	**7.9**	1,524	62	8.1	1,544	5
International markets	**810**	**35**	**4.3**	897	17	3.8	723	1
Due to other banks								
Australia	**397**	**27**	**6.8**	339	11	6.5	455	1
New Zealand	**732**	**72**	**9.8**	644	35	10.9	820	3
International markets	**11,501**	**763**	**6.6**	11,455	378	6.6	11,547	38
Commercial paper								
Australia	**2,469**	**186**	**7.5**	2,623	99	7.5	2,315	8
New Zealand	**-**	**-**	**-**	-	-	-	-	
International markets	**1,087**	**61**	**5.6**	751	21	5.6	1,423	4
Borrowing corporations'debt								
Australia	**5,081**	**420**	**8.3**	5,134	211	8.2	5,028	20
New Zealand	**1,167**	**99**	**8.5**	1,169	51	8.7	1,165	4
International markets	**-**	**-**	**-**	-	-	-	-	
Loan capital, bonds and notes								
Australia	**4,246**	**322**	**7.6**	4,568	171	7.5	3,924	15
New Zealand	**186**	**19**	**10.2**	166	8	9.6	206	1
International markets	**621**	**37**	**6.0**	661	19	5.7	581	1
Other liabilities [1]								
Australia	**676**	**76**	n/a	757	44	n/a	595	3
New Zealand	**-**	**7**	n/a	-	3	n/a	-	
International markets	**698**	**53**	n/a	1,053	35	n/a	343	1
	88,320	**5,969**	**6.8**	90,178	3,038	6.7	86,462	2,93
Non-interest bearing liabilities								
Deposits								
Australia	**2,736**			2,681			2,791	
New Zealand	**1,139**			1,142			1,136	
International markets	**1,249**			1,308			1,190	
Acceptances								
Australia	**12,581**			13,178			11,984	
New Zealand	**597**			573			621	
International markets	**462**			326			598	
Other liabilities	**7,586**			6,756			8,416	
	26,350			25,964			26,736	
Total liabilities	**114,670**			116,142			113,198	

Includes foreign exchange swap costs

AVERAGE BALANCE SHEET AND RELATED INTEREST (continued)

	Full year Sep 96 $M	Half year Sep 96 $M	Half year Mar 96 $M	Full year Sep 95 $M
Total assets				
Australia	**70,917**	71,972	69,862	66,095
New Zealand	**16,212**	16,609	15,815	14,924
International markets	**33,693**	34,033	33,353	30,809
	120,822	122,614	119,030	111,828
% of total assets attributable to overseas activities	**41.3%**	41.3%	41.3%	40.9%
Total liabilities				
Australia	**66,679**	67,578	65,780	62,193
New Zealand	**15,352**	15,792	14,912	14,022
International markets	**32,639**	32,772	32,506	29,682
	114,670	116,142	113,198	105,897
Shareholders' equity	**6,152**	6,472	5,832	5,931
Total liabilities and shareholders' equity	**120,822**	122,614	119,030	111,828
% of total liabilities attributable to overseas activities	**41.9%**	41.8%	41.9%	41.3%

INTEREST SPREADS AND NET INTEREST AVERAGE MARGINS

	Full year Sep 96 $M	Half year Sep 96 $M	Half year Mar 96 $M	Full year Sep 95 $M
Average interest earning assets				
Australia	**55,079**	56,177	53,981	50,989
New Zealand	**14,815**	15,246	14,384	13,389
International markets	**29,777**	30,113	29,441	26,534
	99,671	101,536	97,806	90,912
	%	%	%	%
Gross earnings rate [1]				
Australia	**9.85**	9.78	9.93	9.65
New Zealand	**10.17**	10.32	10.01	9.87
International markets	**7.94**	7.83	8.06	7.90
Total Group	**9.33**	9.28	9.38	9.17
Interest spread and net interest average margin may be analysed as follows:				
Australia				
Gross interest spread	**3.37**	3.30	3.45	3.46
Interest forgone on impaired assets	**(0.15)**	(0.12)	(0.18)	(0.25)
Net interest spread	**3.22**	3.18	3.27	3.21
Interest attributable to net non-interest bearin	**0.90**	0.89	0.91	0.91
Net interest average margin - Australia	**4.12**	4.07	4.18	4.12
New Zealand				
Gross interest spread	**2.43**	2.35	2.52	2.77
Interest forgone on impaired assets	**(0.06)**	(0.07)	(0.06)	(0.01)
Net interest spread	**2.37**	2.28	2.46	2.76
Interest attributable to net non-interest bearin	**0.90**	0.88	0.92	0.93
Net interest average margin - New Zealand	**3.27**	3.16	3.38	3.69
International markets				
Gross interest spread	**1.49**	1.49	1.48	1.48
Interest forgone on impaired assets	**(0.04)**	(0.01)	(0.06)	0.02
Net interest spread	**1.45**	1.48	1.42	1.50
Interest attributable to net non-interest bearin	**0.48**	0.45	0.50	0.43
Net interest average margin - International m	**1.93**	1.93	1.92	1.93
Group				
Gross interest spread	**2.67**	2.62	2.72	2.79
Interest forgone on impaired assets	**(0.10)**	(0.08)	(0.12)	(0.14)
Net interest spread	**2.57**	2.54	2.60	2.65
Interest attributable to net non-interest bearin	**0.77**	0.76	0.78	0.77
Net interest average margin - Group	**3.34**	3.30	3.38	3.42

[1] *Average interest rate received on interest earning assets*

US GAAP RECONCILIATIONS

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

The following are reconciliations of the operating profit after income tax, shareholders' equity and total assets, applying US GAAP instead of Australian GAAP.

	Full year Sep 96 $M	**Half year Sep 96 $M**	**Half year Mar 96 $M**	**Full year Sep 95 $M**
Operating profit after income tax according to Australian GAAP	**1,116**	596	520	1,052
Depreciation charged on the difference between revaluation amount and historical cost of buildir	**1**	-	1	2
Difference in gain or loss on disposal of properties revalued under historical cost	**4**	2	2	2
Amortisation of goodwill	**(36)**	(18)	(18)	(36)
Write-off of goodwill	**(7)**	-	(7)	(5)
Amortisation of sale-leaseback gain over lease te	**4**	2	2	5
Pension expense adjustment	**5**	3	2	2
Net income according to US GAAP	**1,087**	585	502	1,022
Shareholders' equity according to Australian GAAP	**6,290**	6,290	6,005	5,700
Elimination of gross asset revaluation reserves	**(366)**	(366)	(368)	(370)
Adjustment to accumulated depreciation on buildings revalued	**33**	33	33	32
Restoration of previously deducted goodwill	**807**	807	807	807
Accumulated amortisation and write-off of good	**(436)**	(436)	(418)	(393)
Dividends payable	**355**	355	265	260
Pension expense adjustment	**34**	34	32	30
Restoration of deferred gain on sale-leaseback transactions less amortisation	-	-	(2)	(4)
Shareholders' equity according to US GAAF	**6,717**	6,717	6,354	6,062
Total assets according to Australian GAAP	**127,604**	127,604	119,849	112,587
Elimination of gross asset revaluation reserves	**(366)**	(366)	(368)	(370)
Adjustment to accumulated depreciation on buildings revalued	**33**	33	33	32
Restoration of previously deducted goodwill	**807**	807	807	807
Accumulated amortisation and write-off of good	**(436)**	(436)	(418)	(393)
Prepaid pension adjustment	**26**	26	25	26
Reclassification of deferred tax assets against deferred tax liabilities	**(388)**	(388)	(378)	(350)
Total assets according to US GAAP	**127,280**	127,280	119,550	112,339

ACCOUNTING POLICIES

This report has been based on financial data which has been prepared in compliance with the accounting provisions of the Banking Act, applicable Accounting Standards and Urgent Issues Group Consensus Views and gives a true and fair view of the matters disclosed. Where necessary, amounts shown for previous periods have been reclassified to facilitate comparison.

The accounting policies have been consistently applied by the entities in the Group and are consistent with those of the previous financial period.

OPERATION OF SYSTEMS IN YEAR 2000

The Group is reviewing its systems to ensure they will operate satisfactorily when the year changes from 1999 to 2000. The reason for this is that some computer systems process transactions based on storing two digits for the year of the transaction, rather than a full four digits (for example, "96" for 1996). These systems may require modification to ensure that transactions are accurately processed in the year 2000. At this stage the review is not complete and the total costs of the modifications cannot be quantified. Such costs, being in the nature of maintenance, will be expensed as incurred.

EXCHANGE RATES

Major exchange rates used in translation of results of offshore controlled entities and branches into the Economic entity accounts for the year were as follows:

	Balance Sheet			**Profit and Loss Average**			
	As at Sep 96	**As at Mar 96**	**As at Sep 95**	**Full year Sep 96**	**Half year Sep 96**	**Half year Mar 96**	**Full year Sep 95**
NZD/AUD	**1.1314**	1.1477	1.1498	**1.1340**	1.1429	1.1251	1.1407
GBP/AUD	**0.5062**	0.5110	0.4764	**0.4963**	0.5099	0.4827	0.4659
USD/AUD	**0.7914**	0.7801	0.7520	**0.7685**	0.7876	0.7494	0.7406

SIGNIFICANT EVENTS SINCE BALANCE DATE

There have been no significant events since 30 September 1996 to the date of this report.

For and on behalf of the directors

Charles B Goode
Chairman

D P Mercer
Chief Executive Officer

Melbourne
20 November 1996

DEFINITIONS

Geographic segmentation

UK and Europe includes France, Germany, Guernsey, Jersey, Italy, Switzerland and United Kingdom.
Asia Pacific includes Cook Islands, Fiji, Hong Kong, Indonesia, Japan, Korea, Malaysia, Papua New Guinea, Philippines, Singapore, Solomon Islands, Sri Lanka, Taiwan, Thailand, The People's Republic of China, Tonga, Vanuatu, Vietnam and Western Samoa.
South Asia includes Bangladesh, India and Nepal.
Americas includes Argentina, Brazil, Chile, Mexico and United States of America.
Middle East includes Bahrain, Greece, Jordan, Oman, Pakistan, Qatar and United Arab Emirates.

Impaired assets

Impaired assets are loans or other credit facilities where there is reasonable doubt about the collectability of interest, fees (past and future) or principal outstanding, or where concessional terms have been provided because of the financial difficulties of the customer.

Net advances

Net advances include gross loans and advances, acceptances and ANZ accepted bills held as part of trading securities less income yet to mature and specific provisions (for both as at and average volumes).

Net interest average margin

Net interest average margin is net interest income as a percentage of average interest earning assets. Non-assessable interest income is grossed up to the equivalent before tax amount for the purpose of these calculations.

Net interest spread

Net interest spread is average interest rate received on interest earning assets less the average interest rate paid on interest bearing liabilities. Non-assessable interest income is grossed up to the equivalent before tax amount for the purpose of these calculations.

Net non-interest bearing items

Net non-interest bearing items, referred to in the analysis of interest spread and net interest average margin, includes shareholders' equity, provisions for doubtful debts, and deposits not bearing interest and other liabilities not bearing interest, offset by premises and equipment and other non-interest earning assets. Non-accrual loans are included within interest bearing loans, advances and bills discounted.

Operating expenses

Operating expenses exclude charges for doubtful debts and abnormal items.

Total advances

Total advances include gross loans and advances, acceptances and ANZ accepted bills held as part of trading securities less income yet to mature (for both as at and average volumes).

Unproductive facilities

Unproductive facilities comprise standby letters of credit, bill endorsements, documentary letters of credit and guarantees to third parties.

ALPHABETICAL INDEX

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