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GENERAL DISCLOSURES

This Short Form Disclosure Statement has been issued in accordance with the Registered Bank Disclosure Statement (Off-Quarter - New Zealand Incorporated Registered Banks) Order 1995 ('the Order').

In this Short Form Disclosure Statement unless the context otherwise requires:

a) "Banking Group" means ANZ Banking Group (New Zealand) Limited and all its subsidiaries and in-substance subsidiaries; and

b) any term or expression which is defined in, or in the manner prescribed by, the Registered Bank Disclosure Statement (Off-Quarter - New Zealand Incorporated Registered Banks) Order 1995 shall have the meaning given in or prescribed by that Order.

General Matters

The full name of the registered bank is ANZ Banking Group (New Zealand) Limited ('the Bank') and its address for service is 215-229 Lambton Quay, Wellington, New Zealand.

The Bank was incorporated under the Companies Act 1955 by virtue of the ANZ Banking Group (New Zealand) Act 1979 on 23 October 1979, and was reregistered under the Companies Act 1993 on 13 June 1997.

The immediate parent company of the Bank is ANZ Holdings (New Zealand) Limited (incorporated in New Zealand). The immediate parent company is wholly owned by ANZ International Pte Limited (incorporated in Singapore), which is in turn wholly owned by ANZ Funds Pty Limited (incorporated in Australia). The ultimate parent bank is Australia and New Zealand Banking Group Limited, which is incorporated in Australia, and its address for service is 100 Queen Street, Melbourne, Australia.

Material Financial Support

In accordance with the requirements issued by the Reserve Bank of Australia pursuant to the Prudential Statements, Australia and New Zealand Banking Group Limited, as the ultimate parent bank, may not provide material financial support to the Bank contrary to the following:

- a bank should not give a general guarantee for the repayment of liabilities issued by its associates

- any financial commitment given by a bank to an associate should be limited as to a specified time and amount

- prior notification is required before entering exceptionally large exposures to an individual client or group of related clients.

Additionally, Australia and New Zealand Banking Group Limited may not provide material financial support in breach of the Australian Banking Act (1959). This requires the Reserve Bank of Australia to exercise its powers and functions for the protection of a bank's depositors and in the event of a bank becoming unable to meet its obligations or suspending payment the assets of the bank in Australia shall be available to meet that bank's deposit liabilities in Australia in priority to all other liabilities of the bank.

Australia and New Zealand Banking Group Limited has not provided material financial support contrary to any of the above requirements.

CONDITIONS OF REGISTRATION

Conditions of Registration, as from 1 January 1996 - ANZ Banking Group (New Zealand) Limited

The registration of ANZ Banking Group (New Zealand) Limited ('the Bank') as a registered bank is subject to the following conditions:

1. That the Banking Group complies with the following requirements:

   - Capital of the Banking Group is not less than 8 percent of risk weighted exposures.
   - Tier one capital of the Banking Group is not less than 4 percent of risk weighted exposures.
   - Capital of the Banking Group is not less than NZ $15 million.

   For the purposes of this condition of registration, capital, tier one capital and risk weighted exposures shall be calculated in accordance with the Reserve Bank of New Zealand document entitled "Capital Adequacy Framework" (BS2) dated 1 January 1996.

2. That the business of the Banking Group consists of, or substantially consists of, the borrowing and lending of money, or the provision of other financial services, or both.

3. That aggregate credit exposures (net of specific provisions and gross of set-offs) of the Banking Group to all connected persons do not exceed 75 percent of the Banking Group's tier one capital and that, within this limit, aggregate credit exposures (net of specific provisions and gross of set-offs) to non-bank connected persons do not exceed 15 percent of the Banking Group's tier one capital. For the purposes of this condition of registration:

   (i) tier one capital shall be calculated in accordance with the Reserve Bank of New Zealand document entitled "Capital Adequacy Framework" (BS2) dated 1 January 1996.

   (ii) an owner means any person who has a substantial interest in the registered Bank.

   (iii) connected person means any person, other than a government of a country which is a member of the Organisation for Economic Co-operation and Development, which is:

   (a) an owner; or

   (b) an entity in which an owner has a substantial interest (other than the registered Bank and entities in which the registered Bank itself has a substantial interest); or

   (c) a person which has a substantial interest in an owner.

   (iv) a person has a substantial interest in an entity if that person:

   (a) holds (whether directly or indirectly) more than 20 percent of the issued securities of an entity, other than securities that carry no right to participate beyond a specified amount in a distribution of either profits or capital; or

   (b) is entitled to receive (whether directly or indirectly) more than 20 percent of every dividend (or, in the case of an entity which is not a company, distributions of a similar nature) paid on securities issued by the entity, other than securities that carry no right to participate beyond a specified amount in a distribution of either profits or capital; or

   (c) is in a position to exercise, or control the exercise of, more than 20 percent of the maximum number of votes that can be exercised at a meeting of an entity or the owners of the entity; or

   (d) controls or significantly influences the composition of the board of the entity, or if the entity does not have a board of directors, the body which has the power to manage or direct or supervise the management of, the business and affairs of the company.

   (v) In determining whether a person has a substantial interest in an entity Sections 7 and 8 of the Companies Act 1993 shall apply with all necessary modifications.

   (vi) Non-bank connected person means any connected person other than a bank or an entity in which a bank has a substantial interest.

   (vii) Credit exposure means the amount of the maximum loss that a party to a contract could incur as a result of the counterparty to that contract failing to discharge its obligations, without taking into account the value of collateral, guarantees, indemnities, and other support arrangements, and any potential recoveries, and excluding contingent exposures arising from risk lay-offs to a bank owner, where the maximum loss in relation to:

   (a) a market related contract means the credit equivalent amount of the contract determined in accordance with the Reserve Bank of New Zealand document entitled "Capital Adequacy Framework" (BS2) dated 1 January 1996;

   (b) any other contract means the full value of the contract;

   provided that a financial liability may not be offset against any such loss even though to do so would accord with generally accepted accounting practice as defined in the Financial Reporting Act 1993.

   (viii) Securities shall have the same meaning as in the Reserve Bank of New Zealand Act 1989.

   (ix) For the purposes of this condition of registration the term person includes a corporation sole, a company or other body corporate (whether incorporated in New Zealand or elsewhere), an unincorporated body of persons and a public body.

4. That the board of the registered Bank contains at least two independent directors. In this context an independent director is a director who is not an employee of the registered Bank, and who is not a director, trustee or employee of any holding company of the registered Bank, or any other entity capable of controlling or significantly influencing the registered Bank.

5. That the chairperson of the Bank's board is not an employee of the registered Bank.

6. That the Bank's constitution does not permit the Bank's directors to act in the interests of any holding company of the registered Bank, where to do so would conflict with the interests of the Bank in New Zealand, to the detriment of creditors.

For the purposes of these conditions of registration, the term "Banking Group" means ANZ Banking Group (New Zealand) Limited's financial reporting group (as defined in Section 2(1) of the Financial Reporting Act 1993).

CREDIT RATING INFORMATION

The Bank has a current credit rating, which is applicable to its long-term senior unsecured obligations which are payable in New Zealand in New Zealand dollars. The credit rating agency is the Standard and Poor's Ratings Group.

The credit rating issued without material qualification for long term, New Zealand dollars is **AA-**.

The above revised rating was issued on 10 September 1996, replacing the previous rating of A+. There have been no other changes in the credit rating issued in the two years ended 30 June 1997.

The steps in the applicable rating scales are defined as:

Standard & Poor's Ratings Group - Long-Term Ratings

AAA rated corporations, financial institutions, governments or asset-backed financing structures (entities) have an extremely strong capacity to pay interest and repay principal in a timely manner.

AA rated entities have a very strong capacity to pay interest and repay principal in a timely manner and differ from the highest rated entities only in small degree.

A rated entities have a strong capacity to pay interest and repay principal in a timely manner although they may be somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than those in higher rating categories.

BBB rated entities have an adequate capacity to pay interest and repay principal in a timely manner. Protection levels are more likely to be weakened by adverse changes in circumstances and economic conditions than for borrowers in higher rating categories.

Entities rated **'BB', 'B', 'CCC', 'CC'** and **'C'** are regarded as having predominantly speculative characteristics with respect to the capacity to pay interest and repay principal. **'BB'** indicates the least degree of speculation and **'C'** the highest. While such entities will likely have some quality and protective characteristics, these are outweighed by large uncertainties or major exposures to adverse conditions.

BB rated entities have less near-term vulnerability to default than other speculative issues. However, rated entities face ongoing uncertainties or exposure to adverse business, financial, or economic conditions which could lead to an inadequate capacity to meet timely debt service commitments.

B rated entities are more vulnerable to adverse business, financial or economic conditions than entities in higher rating categories. Adverse business, financial or economic conditions are likely to impair the borrower's capacity or willingness to meet timely debt service commitments.

CCC rated entities have a currently identifiable vulnerability to default and are dependent upon favourable business, financial and economic conditions to meet timely debt service commitments. In the event of adverse business, financial or economic conditions, they are not likely to have the capacity to pay interest and repay principal.

CC is typically applied to debt subordinated to senior debt that is assigned an actual or implied **'CCC'** rating.

C rated entities have a high risk of default or are reliant on arrangements with third parties to prevent defaults.

D rated entities are in default. The rating is assigned when interest payments or principal payments are not made on the date due, even if the applicable grace period has not expired. The **'D'** rating is also used upon the filing of an insolvency petition or a request to appoint a receiver if debt service payments are jeopardised.

Plus (+) or Minus (-): The ratings from **'AA'** to **'CCC'** may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

CreditWatch highlights an emerging situation which may materially affect the profile of a rated corporation and can be designated as positive, developing or negative. Following a full review the rating may either be affirmed or changed in the direction indicated.

A **Rating Outlook** assesses the potential direction of an issuer's long-term debt rating over the intermediate to long-term. In determining a **Rating Outlook**, consideration is given to possible changes in the economic and/or fundamental business conditions. An Outlook is not necessarily a precursor of a rating change or future **CreditWatch** action. A **'Rating Outlook** - Positive' indicates that a rating may be raised; 'Negative' means a rating may be lowered; 'Stable' indicates that ratings are not likely to change; and 'Developing' means ratings may be raised or lowered.

N.M. means not meaningful, e.g. for structured or mutual fund ratings.

GUARANTEE ARRANGEMENTS

Australia and New Zealand Banking Group Limited (the 'Guarantor'), as the ultimate parent bank, has guaranteed, on a subordinated basis, the issue of US $125,000,000 Subordinated Floating Rate Notes issued by ANZ Banking Group (New Zealand) Limited (the 'Issuer'). These floating rate notes are subordinated in right of payment to claims of depositors and all creditors of the Issuer.

Guarantor's Credit Rating

The Guarantor has current credit ratings issued September 1996, which are applicable to its long-term debt. The revised credit ratings were issued by Standard and Poor's Ratings Group and Moody's Investor Service. The credit ratings issued without material qualification are:

Standard and Poor's Ratings Group	**AA-**
Moody's Investor Service	**Aa3**

The previous credit ratings were A+ and A1 respectively. There have been no other changes in the credit ratings issued in the two years ended 30 June 1997.

The steps in the applicable rating scales are defined as:

Standard & Poor's Ratings Group - as previously disclosed for the Bank - see page 4.

Moody's Investor Service - Long-Term Debt Ratings

Aaa are judged to be of the best quality. They carry the smallest degree of investment risk and are generally referred to as "gilt edged". Interest payments are protected by a large or by an exceptionally stable margin and principal is secure. While the various protective elements are likely to change, such changes as can be visualised are most unlikely to impair the fundamentally strong position of such issues.

Aa are judged to be of high quality by all standards. Together with the Aaa group they comprise what are generally known as high-grade bonds. They are rated lower than the best bonds because margins of protection may not be as large as in Aaa securities or fluctuation of protective elements may be of greater amplitude or there may be other elements present which make the long-term risk appear somewhat larger than the Aaa securities.

A possesses many favourable investment attributes and are to be considered as upper-medium-grade obligations. Factors giving security to principal and interest are considered adequate, but elements may be present which suggest a susceptibility to impairment some time in the future.

Baa are considered as medium-grade obligations (i.e. they are neither highly protected nor poorly secured). Interest payments and principal security appear adequate for the present but certain protective elements may be lacking or may be characteristically unreliable over any great length of time. Such bonds lack outstanding investment characteristics and in fact have speculative characteristics as well.

Ba are judged to have speculative elements; their future cannot be considered as well-assured. Often the protection of interest and principal payments may be very moderate, and thereby not well safeguarded during good and bad times over the future. Uncertainty of position characterises bonds in this class.

B generally lack characteristics of the desirable investment. Assurance of interest and principal payments or of maintenance of other terms of the contract over any long period of time may be small.

Caa are of poor standing. Such issues may be in default or there may be present elements of danger with respect to principal or interest.

Ca represent obligations which are speculative in a high degree. Such issues are often in default or have other marked shortcomings.

C are the lowest rated class of bonds, and issues so rated can be regarded as having extremely poor prospects of ever attaining any real investment standing.

Bond ratings, where specified, are applied to senior bank obligations with an original maturity in excess of one year. Obligations relying upon support mechanisms such as letters-of-credit and bonds of indemnity are excluded unless explicitly rated.

Obligations of a branch of a bank are considered to be domiciled in the country in which the branch is located. Unless noted as an exception, ratings on a bank's ability to repay senior obligations extends only to branches located in countries which carry a Moody's Sovereign Rating for Bank Deposits. Such branch obligations are rated at the lower of the bank's rating or Moody's Sovereign Rating for the Bank Deposits for the country in which the branch is located.

When the currency in which an obligation is denominated is not the same as the currency of the country in which the obligation is domiciled, ratings do not incorporate an opinion as to whether payment of the obligation will be affected by the actions of the government controlling the currency of denomination. In addition, risk associated with bilateral conflicts between an investor's home country and either the issuer's home country or the country where an issuer branch is located are not incorporated into ratings.

Moody's makes no representation that rated bank obligations are exempt from registration under the U.S. Securities Act of 1933 or issued in conformity with any other applicable law or regulation. Nor does Moody's represent any specific bank obligation is legally enforceable or a valid senior obligation of a rated issuer.

NOTE: Moody's applies numerical modifiers 1, 2 and 3 in each generic rating classification from Aa through B. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

GUARANTEE ARRANGEMENTS (continued)

Guarantor's Capital Adequacy Ratios

The Guarantor is required to hold minimum capital at least equal to that specified under the Basle framework. The capital adequacy ratios are:

	31/03/97	31/03/96	30/09/96
Tier 1 Capital	**6.7%**	6.7%	6.7%
Total Capital	**10.4%**	10.2%	10.5%
Capital (AUD millions)	**$10,436**	$9,008	$9,820

The Guarantor meets those requirements imposed on it by its home supervisor as at 31 March 1997 whereby banks must maintain a ratio of qualifying capital to risk weighted assets of at least 8 per cent.

The Guarantee Contract

The following is an extract of the Guarantee arrangements in respect of the US $125,000,000 Subordinated Floating Rate Notes issued by ANZ Banking Group (New Zealand) Limited in substantially the form in which it appears in the Offering Circular:-

3. Guarantee

(a) Assumption of Primary Liability: The Guarantor irrevocably and unconditionally guarantees and undertakes that if, at any time, an Issuer Event of Default (as defined in Condition 9) occurs the Guarantor shall immediately and without further notice, demand or other formality become the principal debtor under the Notes and the Coupons and shall assume all of the obligations and rights of the Issuer under the Trust Deed, the Notes and the Coupons in place of the Issuer (with, unless the context requires otherwise, the Trust Deed (except clause 7 - of the Trust Deed; not reproduced) and these Conditions (except this Condition) to be read with the substitution of references to the Guarantor in place of references to the Issuer). The Guarantor's obligations in that respect (the 'Guarantee') are set out on each of the Notes.

(b) Payments as Principal Debtor: Upon becoming such principal debtor, the Guarantor shall be liable to make all payments under the Trust Deed, the Notes and the Coupons as if it had originally been named as principal debtor thereunder. In respect of the Notes, and the Coupons, its obligations shall be on a subordinated basis in the same manner as in Condition 2 (Status and Subordination; not reproduced), but with the following changes:-

"(i) the deletion of paragraphs *(b)* and *(c)* of the definition of "Other Creditors" in Condition 2 (Status and Subordination; not reproduced) in their entirety;

(ii) the insertion of the following as paragraph *(b)* of the definition of "Other Creditors" in Condition 2 (Status and Subordination; not reproduced):

"holders of the :

(1) LUX 1,000,000,000 subordinated fixed rate notes due 1998 issued by the Guarantor on 16th April, 1991 and the holders of interest coupons relating thereto;

(2) A$ 48,800,000 subordinated fixed rate notes due 1999 issued by the Guarantor on 29th March, 1989 and the holders of interest coupons relating thereto;

(3) JPY 10,000,000,000 subordinated fixed rate loan due 1999 from JLC (Cayman) Leasing Limited;

(4) U.S.$ 30,000,000 subordinated floating rate notes due 1999 issued by the Guarantor on 15th November, 1989 and the holders of interest coupons relating thereto;

(5) U.S.$ 70,000,000 subordinated floating rate notes due 1999 issued by the Guarantor on 15th November, 1989 and the holders of interest coupons relating thereto;

(6) U.S.$ 200,000,000 subordinated floating rate notes due 1999 issued by the Guarantor on 20th December, 1989 and the holders of interest coupons relating thereto;

(7) A$ 65,000,000 subordinated floating rate notes due 2000 issued by the Guarantor on 4th April, 1990 and the holders of interest coupons relating thereto;

(8) A$ 55,300,000 subordinated floating rate notes due 2000 issued by the Guarantor on 16th March, 1990 and the holders of interest coupons relating thereto;

(9) U.S.$ 140,000,000 subordinated floating rate notes due 2000 issued by the Guarantor on 24th April, 1990 and the holders of interest coupons relating thereto;

(10) U.S.$ 70,000,000 subordinated floating rate notes due 2000 issued by the Guarantor on 24th October, 1990 and the holders of interest coupons relating thereto;

(11) A$ 58,200,000 subordinated fixed/floating rate notes due 2001 issued by the Guarantor on 27th August, 1990 and the holders of interest coupons relating thereto;

(12) GBP 60,000,000 subordinated fixed rate notes due 2001 issued by the Guarantor on 16th May, 1991 and the holders of interest coupons relating thereto;

(13) U.S.$ 200,000,000 subordinated floating rate notes due 2002 issued by the Guarantor on 11th October, 1990 and the holders of interest coupons relating thereto;

(14) U.S.$ 250,000,000 subordinated fixed rate notes due 2004 issued by the Guarantor on 7th February, 1994 and the holders of interest coupons relating thereto;

(15) JPY 482,000,000 subordinated floating rate notes due 2007 issued by the Guarantor on 17th October, 1991 and the holders of interest coupons relating thereto;

(16) U.S.$ 12,500,000 subordinated floating rate notes due 2007 issued by the Guarantor on 17th October, 1991 and the holders of interest coupons relating thereto;

(17) U.S.$ 79,000,000 subordinated floating rate notes due 2008 issued by the Guarantor on 12th December, 1991 and the holders of interest coupons relating thereto;

(18) JPY 568,800,000 subordinated floating rate notes due 2008 issued by the Guarantor on 27th March, 1992 and the holders of interest coupons relating thereto;

(19) U.S.$ 14,300,000 subordinated floating rate notes due 2008 issued by the Guarantor on 27th March, 1992 and the holders of interest coupons relating thereto;

where "GBP" means Great Britain Pounds Sterling; "JPY" means Japanese Yen and "LUX" means Luxembourg Francs";

(iii) the renumbering of paragraphs *(d)* and *(e)* of the definition of "Other Creditors" in Condition 2 (Status and Subordination; not reproduced) as paragraphs *(c)* and *(d)* respectively;

(iv) the deletion of the words "New Zealand," from Condition 6*(b)* (Redemption and Purchase; not reproduced); and

The Guarantee Contract (continued)

(v) the deletion from the first paragraph of Condition 7 (Taxation; not reproduced) of the words:

(1) “New Zealand or” immediately following the words “imposed or levied by or on behalf of; and

(2) “New Zealand,” immediately following the words “by reason of his having some connection with”.”

PROVIDED THAT

(A) no sum shall be payable by the Guarantor as a result of its becoming such principal debtor sooner than the same would have been payable by the Issuer if the relevant Issuer Event of Default had not occurred; and

(B) upon the Guarantor becoming principal debtor the Notes and the Coupons will not thereby or as a result of the Issuer Event of Default become payable by the Guarantor until such payment becomes payable by the Guarantor as principal debtor in accordance with these Conditions. The Guarantor will not be liable to make any payment of principal or interest under the Notes or the Coupons prior to its becoming such principal debtor as aforesaid and upon so becoming such principal debtor, the Guarantor shall be released from all of its obligations under the Notes and the Coupons other than as principal debtor as aforesaid.

(c) Discharge of Issuer: If an Issuer Event of Default occurs and upon the Guarantor becoming principal debtor under and pursuant to these Conditions, the Notes and the Coupons then:

(i) as between (1) the Issuer; and (2) the Trustee, the Noteholders and the Couponholders, the Issuer’s obligations under these Conditions, the Notes and the Coupons are absolutely discharged; and

(ii) the Trustee, the Noteholders and the Couponholders have no right of recourse against the Issuer under these Conditions, the Notes and the Coupons.

(d) Proceeding by Noteholders and Couponholders: Upon the Guarantor becoming principal debtor in accordance with the Trust Deed and the Conditions, the Trustee, the Noteholders and the Couponholders may not institute any proceedings against the Issuer whether in New Zealand or elsewhere or in any way proceed against the Issuer in connection with these Conditions, the Notes or the Coupons.

(e) Guarantor Event of Default: If an Issuer Event of Default has occurred and the Guarantor has become bound as principal debtor under and pursuant to these Conditions, the Notes and the Coupons, then if:

(i) default is made by the Guarantor in the payment when due of the principal of, or interest in respect of, any Note or any Coupon and (in the case of a default in respect of any Coupon) such default continues for a period of seven days or more after the date when such payment became due, the Trustee may, in order to enforce the obligations of the Guarantor under the Notes and the Coupons, at its discretion or if instructed to do so pursuant to the Trust Deed, and without further notice or demand, institute such proceedings as it may think fit against the Guarantor, provided that the Guarantor shall not by virtue of the institution of such proceedings (other than proceedings for the liquidation of the Guarantor) be obliged to pay any sum or sums representing principal or interest in respect of any Note and/or Coupon sooner than the same would otherwise have been payable by it; and

(ii) an order is made or an effective resolution is passed for the liquidation of the Guarantor in the State of Victoria, Australia (otherwise than in accordance with a reconstruction or amalgamation), the Trustee may declare the Notes and/or Coupons to be due and repayable immediately (and the Notes and/or the Coupons shall thereby become so due and payable) at their principal amount together with accrued interest.

(f) Survival of Guarantee: As between the Guarantor and the Trustee, the Noteholders and the Couponholders, the obligation of the Guarantor to assume the role of principal debtor pursuant to this Condition shall be absolute and unconditional and the Guarantor will not be discharged nor will its liability be effected by anything which would not discharge it or effects its liability if it were the sole principal debtor. The Guarantor’s obligations under the Guarantee are continuing obligations and will remain in full force and effect until no sum remains payable under these Conditions, the Notes or the Coupons.

(g) Certificate of Trustee: For the purposes of the Guarantee, a certificate of the Trustee that an Issuer Event of Default has occurred shall be conclusive and binding on the Issuer, the Guarantor, the Noteholders and the Couponholders.

9. Issuer Events of Default

The following events shall be Issuer Events of Default, that is to say:-

(a) default is made by the Issuer in the payment when due of the principal of the Notes; or

(b) default is made by the Issuer in the payment when due of any of the Coupons and such default continues for a period of seven days after the date when due; or

(c) a resolution is passed or an order is made that the Issuer be liquidated; or

(d) a liquidator or statutory manager is appointed to the Issuer.

16. Governing Law and Jurisdiction

(a) Governing Law: The Trust Deed, these Conditions, the Notes and the Coupons are governed by and shall be construed in accordance with New Zealand law.

(b) Jurisdiction: The Issuer and the Guarantor each hereby irrevocably agree for the exclusive benefit of the Trustee, the Noteholders and the Couponholders that the courts of New Zealand, Australia and England shall have jurisdiction to settle any disputes which may arise out of or in connection with the Notes or the Coupons and that accordingly any suit, action or proceedings (together referred to as “Proceedings”) arising out of or in connection therewith may be brought in such courts.

(c) Service of Process:

(i) The Guarantor hereby irrevocably appoints the Issuer at its principal office in Wellington to accept service of process on its behalf in New Zealand in respect of any Proceedings brought in the courts of New Zealand and the General Manager of the London branch of the Guarantor (located at the date hereof at Minerva House, Montague Close, London SE1 9DH) as its authorised agent upon whom process may be served in any Proceedings brought in the courts of England.

(ii) The Issuer hereby irrevocably appoints the Guarantor at its principal office in Melbourne to accept service of process on its behalf in Australia in respect of any Proceedings brought in the courts of Australia and the General Manager of the London branch of the Guarantor (located at the date hereof at Minerva House, Montague Close, London SE1 9DH) as its authorised agent upon whom process may be served in any Proceedings brought in the courts of England.

(iii) The Issuer and the Guarantor will procure that, so long as any of the Notes remains outstanding, there shall be in force an appointment of such persons approved by the Trustee with an office in New Zealand, Australia and England with authority to accept service as aforesaid.

PROFIT AND LOSS STATEMENT for the nine months ended 30 June 1997

		Consolidated	
	Unaudited 9 months to 30/06/97 $000	Unaudited 9 months to 30/06/96 $000	Audited Year to 30/09/96 $000
Interest income	**1,347,232**	1,261,042	1,736,387
Interest expense	**958,551**	839,009	1,168,546
Net interest income	**388,681**	422,033	567,841
Net trading gains	**39,461**	35,816	45,634
Other operating income	**313,320**	286,944	382,725
Net operating income	**741,462**	744,793	996,200
Impaired asset (income)/expense	**(1,646)**	9,217	12,978
Other operating expenses	**549,590**	547,240	733,270
Operating surplus before tax	**193,518**	188,336	249,952
Tax expense	**56,750**	61,228	80,190
Operating surplus after tax	**136,768**	127,108	169,762
Minority interest	**140**	(47)	(49)
Net operating surplus after tax and minority interest	**136,908**	127,061	169,713

The notes on pages 12 to 19 form part of and should be read in conjunction with these financial statements.

STATEMENT OF MOVEMENTS IN EQUITY for the nine months ended 30 June 1997

	Consolidated		
	Unaudited 9 months to 30/06/97 $000	Unaudited 9 months to 30/06/96 $000	Audited Year to 30/09/96 $000
Equity at beginning of the period	**883,566**	1,165,873	1,165,873
Net operating surplus after tax and minority interest	**136,908**	127,061	169,713
Revaluation of premises	**-**	-	(7,318)
Total recognised revenues and expenses for the period	**136,908**	127,061	162,395
Movement in minority interest	**(140)**	(1,503)	(1,502)
Interim dividend	**-**	-	(443,200)
Total movements during the period	**136,768**	125,558	(282,307)
Equity at end of the period	**1,020,334**	1,291,431	883,566

The notes on pages 12 to 19 form part of and should be read in conjunction with these financial statements.

BALANCE SHEET as at 30 June 1997

			Consolidated	
		Unaudited	Unaudited	Audited
		30/06/97	30/06/96	30/09/96
	Note	**$000**	$000	$000
ASSETS				
Liquid assets		**903,454**	881,072	838,964
Due from other banks	**2**	**1,045,267**	1,161,149	1,410,842
Trading securities		**1,832,875**	790,211	674,571
Investment securities		**698,490**	555,223	636,282
Loans and advances	**3,4**	**15,953,846**	15,094,304	14,954,010
Customers' liabilities for acceptances		**126,190**	670,713	613,499
Loans to associate company		**481**	2,609	1,912
Investment in associate companies		**2,692**	5,369	5,369
Income tax assets		**9,892**	8,864	43,934
Other assets		**457,840**	514,585	510,955
Investment properties		**631**	631	631
Premises and equipment		**628,061**	605,641	622,823
Total assets		**21,659,719**	20,290,371	20,313,792
LIABILITIES				
Due to other banks		**1,530,764**	1,039,207	692,082
Deposits		**15,813,538**	14,778,212	15,029,652
Borrowings by subsidiary companies		**1,379,127**	1,328,693	1,356,212
Bill acceptances		**126,190**	670,713	613,499
Creditors and other liabilities		**1,147,799**	938,015	1,103,530
Income tax liability		**8,931**	-	-
Provisions		**60,060**	53,182	57,040
Loan capital	**7**	**572,976**	190,918	578,211
Total liabilities		**20,639,385**	18,998,940	19,430,226
Net assets		**1,020,334**	1,291,431	883,566
EQUITY				
Paid in share capital		**117,287**	117,287	117,287
Reserves	**9**	**41,157**	51,902	42,129
Retained earnings		**861,458**	1,121,671	723,578
Minority interest		**432**	571	572
Total equity		**1,020,334**	1,291,431	883,566

The notes on pages 12 to 19 form part of and should be read in conjunction with these financial statements.

STATEMENT OF CASH FLOWS for the nine months ended 30 June 1997

			Consolidated	
	Note	**Unaudited 9 months to 30/06/97 $000**	Unaudited 9 months to 30/06/96 $000	Audited Year to 30/09/96 $000
Gross cash inflow from operating activities		**1,670,655**	1,534,209	2,084,311
Gross cash outflow from operating activities		**(1,472,870)**	(1,330,620)	(1,844,940)
Net cash flow from operating activities	**13**	**197,785**	203,589	239,371
Gross cash inflow from investing activities		**35,852**	404,588	356,149
Gross cash outflow from investing activities		**(1,152,738)**	(1,808,612)	(1,735,898)
Net cash flow from investing activities		**(1,116,886)**	(1,404,024)	(1,379,749)
Gross cash inflow from financing activities		**937,638**	2,478,094	3,172,301
Gross cash outflow from financing activities		**-**	(128,006)	(443,200)
Net cash flow from financing activities		**937,638**	2,350,088	2,729,101
Net increase in cash		**18,537**	1,149,653	1,588,723
Opening cash and cash equivalents		**2,232,295**	643,572	643,572
Closing cash and cash equivalents		**2,250,832**	1,793,225	2,232,295
Reconciliation of opening and closing cash and cash equivalents to the balance sheet				
Liquid assets		**903,454**	881,072	838,964
Due from other banks		**1,045,267**	1,161,149	1,410,842
Trading securities		**1,832,875**	790,211	674,571
Due to other banks		**(1,530,764)**	(1,039,207)	(692,082)
		2,250,832	1,793,225	2,232,295

The notes on pages 12 to 19 form part of and should be read in conjunction with these financial statements.

1. ACCOUNTING POLICIES

(i) Basis of preparation
These financial statements have been prepared in accordance with Financial Reporting Standard No. 24 “Interim Financial Statements” (‘FRS 24’) and the Registered Bank Disclosure Statement (Off-Quarter - New Zealand Incorporated Registered Banks) Order 1995. These financial statements should be read in conjunction with the consolidated financial statements for the year ended 30 September 1996.

(ii) Measurement base
These financial statements have been prepared on a going concern basis in accordance with historical cost concepts, adjusted by the revaluation of certain assets.

(iii) Changes in accounting policies
There have been no material changes in accounting policies during the period.

(iv) Comparatives
To ensure consistency with the current period, comparative figures have been restated where appropriate.

(v) Early adoption of changes in Financial Reporting Standards
FRS 24 has been approved by the Accounting Standards Review Board and applies to interim reporting periods beginning on or after 1 July 1997. The Banking Group has elected to adopt the disclosures prescribed in FRS 24 for the current reporting period.

2. DUE FROM OTHER BANKS

		Consolidated	
	Unaudited 30/06/97 $000	Unaudited 30/06/96 $000	Audited 30/09/96 $000
Able to be withdrawn without prior notice	**813,387**	1,037,917	1,338,119
Able to be withdrawn with prior notice	**231,880**	123,232	72,723
Total due from other banks	**1,045,267**	1,161,149	1,410,842

As at 30 June 1997 $ 78 million (30/06/96 $ 53 million; 30/09/96 $ 68 million) of the above balance which is able to be withdrawn without prior notice is eligible for refinancing by the Reserve Bank of New Zealand.

3. IMPAIRED AND PAST DUE ASSETS

	Unaudited 30/06/97 $000	Unaudited 30/06/96 $000	Audited 30/09/96 $000
On-balance sheet impaired and past due assets			
Non-accrual loans	**134,689**	155,707	144,739
Troubled debt restructuring	**-**	1,924	4,378
Past due assets	**30,776**	23,914	23,932
Total on-balance sheet impaired and past due assets	**165,465**	181,545	173,049
Off-balance sheet impaired assets	**55,000**	51,000	49,000

4. PROVISIONS FOR DOUBTFUL DEBTS

	Consolidated		
	Unaudited 30/06/97 $000	Unaudited 30/06/96 $000	Audited 30/09/96 $000
Specific provision (non-accrual loans)			
Balance at beginning of the period	**54,117**	54,552	54,552
Bad debts written off	**(13,156)**	(12,263)	(21,357)
Recoveries	**5,229**	5,985	7,944
(Credit)/charge to operating surplus	**(1,646)**	9,217	12,978
Balance at end of the period	**44,544**	57,491	54,117
General provision			
Balance at beginning of the period	**81,668**	73,005	73,005
Charge to operating surplus	**92**	8,480	8,705
Transfer on sale of subsidiary	**-**	(42)	(42)
Balance at end of the period	**81,760**	81,443	81,668
Total provisions for doubtful debts	**126,304**	138,934	135,785

Total provisions for doubtful debts have been deducted from loans and advances.

5. CONCENTRATIONS OF CREDIT RISK

Concentrations to individual counterparties - Note (i)

The number of individual counterparties other than banks or groups of closely related counterparties of which a bank is not the parent (excluding OECD Governments and connected persons), where the period end and peak end-of-day credit exposures equals or exceeds 10% of equity in ranges of 10% of equity, on the basis of limits:

	Consolidated					
	Unaudited 30/06/97 Number of Counterparties		Unaudited 30/06/96 Number of Counterparties		Audited 30/09/96 Number of Counterparties	
	As at	**Peak**	As at	Peak	As at	Peak
10% to 20% of equity	**12**	**15**	5	7	16	18
20% to 30% of equity	**5**	**7**	4	1	4	4
30% to 40% of equity	**3**	**2**	1	3	2	2
40% to 50% of equity	**3**	**3**	1	2	2	2
50% to 60% of equity	**1**	**2**	1	1	2	1
60% to 70% of equity	**-**	**2**	-	-	1	1
70% to 80% of equity	**-**	**-**	1	-	-	1
80% to 90% of equity	**-**	**-**	-	1	-	-
90% to 100% of equity	**1**	**-**	-	-	-	-
100% to 110% of equity	**-**	**-**	-	-	-	-
110% to 120% of equity	**-**	**1**	-	-	1	1

As noted above, the number of individual counterparties disclosed within the various equity ranges is based on counterparty limits rather than actual exposures outstanding. No account is taken of security and/or guarantees which the Banking Group may hold in respect of the various counterparty limits.

5. CONCENTRATIONS OF CREDIT RISK (continued)

Concentrations to bank counterparties - Note (i)

The number of bank counterparties or groups of closely related counterparties of which a bank is the parent (excluding OECD Governments and connected persons), where the period end and peak end-of-day credit exposures equals or exceeds 10% of equity in ranges of 10% of equity, on the basis of actual exposures:

	Consolidated					
	Unaudited 30/06/97 Number of Counterparties		Unaudited 30/06/96 Number of Counterparties		Audited 30/09/96 Number of Counterparties	
	As at	**Peak**	As at	Peak	As at	Peak
10% to 20% of equity	**4**	**4**	3	3	3	2
20% to 30% of equity	**1**	**4**	1	3	-	1
30% to 40% of equity	**1**	**3**	-	1	-	1
40% to 50% of equity	**-**	**1**	-	-	-	-
50% to 60% of equity	**-**	**-**	-	-	-	-
60% to 70% of equity	**-**	**1**	-	1	1	1
70% to 80% of equity	**-**	**2**	-	-	-	1
80% to 90% of equity	**-**	**-**	-	-	-	-
90% to 100% of equity	**-**	**-**	-	-	-	2

	Unaudited 30/06/97		Unaudited 30/06/96		Audited 30/09/96	
Concentrations to connected persons	**Amount $000**	**% of Group Tier 1 Capital**	Amount $000	% of Group Tier 1 Capital	Amount $000	% of Group Tier 1 Capital
Aggregate at end of period	**40,100**	**4.1%**	483,300	39.3%	266,000	32.4%
Peak end-of-day for the period - **Note (ii)**	**897,900**	**103.4%**	758,400	61.6%	728,400	88.6%
Contingent credit exposures arising from risk lay-off arrangements	**362,100**	**n/a**	665,400	n/a	687,100	n/a

The credit exposure concentrations disclosed for connected persons are on the basis of actual exposures. There are no specific provisions (30/06/96 $ nil; 30/09/96 $ nil).

Note (i)

During the quarter ended 30 September 1996, the Bank restructured its capital base, including the payment of an interim dividend, which has had the effect of reducing total equity. Accordingly, the equity threshold at which counterparty exposures are measured has reduced by approximately 33% resulting in a greater number of counterparties falling within the disclosure requirements.

Notwithstanding the payment of an interim dividend, the Bank still maintains a strong capital base which is in excess of the Reserve Bank of New Zealand minimum requirements (refer note 14).

Note (ii)

The Reserve Bank of New Zealand's disclosure methodology for calculating the peak connected persons exposure does not accurately measure compliance with the Bank's conditions of registration. The percentage has been calculated in accordance with the disclosure requirements which measure the peak end-of-day exposure against quarter end tier 1 capital as compared to the Bank's conditions of registration which measure peak end of day exposure against tier 1 capital at the time of the peak. For the year ended 30 September 1996, the Bank has not exceeded the connected persons limit imposed by the Bank's conditions of registration.

The Bank, as part of its routine banking business, deposits surplus foreign currency overnight with various overseas branches of the Ultimate Parent Company. These transactions are on an arms length basis and in the best interests of the Bank. During October 1996, exceptionally high overnight foreign currency deposits with one of these overseas branches caused the Bank to exceed the connected persons limit imposed by the Bank's conditions of registration.

6. INTEREST EARNING AND DISCOUNT BEARING ASSETS

	Consolidated		
	Unaudited 30/06/97 $000	Unaudited 30/06/96 $000	Audited 30/09/96 $000
Interest earning and discount bearing assets	**20,521,998**	18,342,196	18,407,059

7. LOAN CAPITAL

AUD 88,580,000 term subordinated floating rate loan	**97,438**	-	100,170
AUD 265,740,000 perpetual subordinated floating rate loan	**292,314**	-	300,509
USD 125,000,000 subordinated floating rate notes	**183,224**	190,918	177,532
Total loan capital	**572,976**	190,918	578,211
Included within loan capital is the following related party balance:			
Australia and New Zealand Banking Group Limited (Ultimate Parent Company)	**389,752**	-	400,679

AUD 88,580,000 Loan
This loan was drawn down on 27 September 1996 and has an ultimate maturity date of 27 September 2006. The Bank may elect to repay the loan on 27 September of each year commencing from 2001 through to 2005. All interest is payable half yearly in arrears based on BBSW + 0.45% p.a., with interest payments due 27 March and 27 September.

AUD 265,740,000 Loan
This loan was drawn down on 27 September 1996 and has no fixed maturity. Interest is payable half yearly in arrears based on BBSW + 0.95% p.a., with interest payments due 15 March and 15 September.

USD 125,000,000 Notes
These notes were issued on 8 September 1995 and are to be redeemed at their principal amount on 8 September 2005. The Bank may elect to redeem all of the notes on 8 September of each year commencing in 2000 through to 2004 at their principal amount. These notes are guaranteed by Australia and New Zealand Banking Group Limited (Ultimate Parent Company). All interest is payable quarterly in arrears based on LIBOR + 0.45% p.a., with interest payments due 8 December, 8 March, 8 June, and 8 September.

Loan capital is subordinated in right of payment to the claims of depositors and all creditors of the Bank and constitutes tier 2 capital as defined by the Reserve Bank of New Zealand for capital adequacy purposes.

8. INTEREST AND DISCOUNT BEARING LIABILITIES

	Consolidated		
	Unaudited 30/06/97 $000	Unaudited 30/06/96 $000	Audited 30/09/96 $000
Interest and discount bearing liabilities	**17,816,099**	15,937,482	16,469,999

9. RESERVES

Capital reserves			
Share premium reserve	**3,163**	3,163	3,163
Revaluation reserve			
Asset revaluation reserve	**37,994**	48,739	38,966
Total reserves	**41,157**	51,902	42,129

10. LEASE RENTAL COMMITMENTS

		Consolidated	
	Unaudited	Unaudited	Audited
	30/06/97	30/06/96	30/09/96
	$000	$000	$000
Future rentals in respect of operating leases not provided for in these financial statements:			
Premises			
Due within one year	**27,853**	27,727	30,209
Due between one and two years	**22,674**	24,137	25,343
Due between two and five years	**48,703**	52,836	53,059
Due beyond five years	**39,987**	42,643	45,888
	139,217	147,343	154,499
Equipment			
Due within two years	**1,202**	699	223
Total lease rental commitments	**140,419**	148,042	154,722

11. CAPITAL EXPENDITURE COMMITMENTS

Capital expenditure not provided for in these financial statements:

Contractual commitments with certain drawdown due within one year	**24,936**	18,066	22,578

12. CONTINGENT LIABILITIES, CREDIT RELATED COMMITMENTS, AND MARKET RELATED CONTRACTS

The estimated face or contract values are as follows:

Contingent liabilities			
Financial guarantees	**418,578**	365,602	392,310
Standby letters of credit	**34,394**	57,416	27,628
Asset sales with recourse	**158,586**	149,054	145,256
Transaction related contingent liabilities	**190,035**	181,256	232,241
Trade related contingent liabilities	**70,817**	72,443	60,572
Total contingent liabilities	**872,410**	825,771	858,007
Credit related commitments			
Underwriting facilities	**131,500**	257,900	290,000
Undrawn facilities	**5,353,062**	4,411,245	4,841,470
Total credit related commitments	**5,484,562**	4,669,145	5,131,470
Foreign exchange and interest rate contracts			
Foreign exchange rate contracts	**19,525,200**	24,431,000	21,902,300
Interest rate contracts	**27,161,200**	19,966,700	20,000,400
Total foreign exchange and interest rate contracts	**46,686,400**	44,397,700	41,902,700

13. NOTE TO THE STATEMENT OF CASH FLOWS

		Consolidated	
	Unaudited	Unaudited	Audited
	30/06/97	30/06/96	30/09/96
	$000	$000	$000
Reconciliation of net operating surplus after tax and minority interest to net cash flow from operating activities			
Net operating surplus after tax and minority interest	**136,908**	127,061	169,713
Adjustments to net operating surplus after tax and minority interest for non cash items			
Add back:			
Depreciation	**92,231**	76,420	102,989
Provisions for doubtful debts charge	**92**	17,697	21,683
Loss on disposal of premises and equipment	**5,111**	3,524	3,349
Increase in other provisions	**3,020**	3,976	1,206
Increase in accrued interest expense	**-**	-	14,596
Increase in accrued charges	**7,286**	4,669	20,863
Amortisation of goodwill	**937**	937	1,249
Decrease in accrued interest income	**18,243**	15,889	2,289
Foreign exchange loss on loan capital	**-**	239	-
Decrease in income tax assets	**-**	34,152	36,066
Decrease in net revaluations on synthetic instruments	**13,702**	-	-
Increase in income tax liability	**48,536**	-	-
Minority interest	**-**	47	49
Deduct:			
Increase in income tax assets	**(5,563)**	-	-
Amortisation of premiums and discounts	**(54,512)**	(17,106)	(31,958)
Foreign exchange gain on loan capital	**(5,235)**	-	(13,147)
Decrease in income tax liabilities	**-**	(14,993)	(51,977)
Profit on sale of investment properties	**-**	(76)	(78)
Increase in accrued commission and other income	**(1,556)**	(2,117)	(127)
Decrease in accrued interest expense	**(59,629)**	(328)	-
Increase in net revaluations on synthetic instruments	**-**	(46,402)	(37,394)
Provisions for doubtful debts credit	**(1,646)**	-	-
Minority interest	**(140)**	-	-
Net cash flow from operating activities	**197,785**	203,589	239,371

14. CAPITAL ADEQUACY

Capital adequacy ratios	Consolidated Unaudited 30/06/97	Consolidated Unaudited 30/06/96	Consolidated Audited 30/09/96
Tier 1 Capital	**6.2%**	8.1%	5.4%
Total Capital	**10.6%**	10.2%	10.0%
Reserve Bank of New Zealand minimum ratios:			
Tier 1 Capital	**4.0%**	4.0%	4.0%
Total Capital	**8.0%**	8.0%	8.0%

The information contained in the Table below has been derived in accordance with the conditions of registration imposed pursuant to section 74 (4) (b) of the Reserve Bank of New Zealand Act 1989 and capital adequacy framework issued by the Reserve Bank of New Zealand.

	Consolidated Unaudited 30/06/97 $m
Tier 1 Capital	**982.3**
Less deductions from Tier 1 Capital	**10.3**
Total Tier 1 Capital	**972.0**
Tier 2 Capital - Upper Level Tier 2 Capital	**413.1**
Tier 2 Capital - Lower Level Tier 2 Capital	**280.6**
Total Tier 2 Capital	**693.7**
Total Tier 1 Capital Plus Tier 2 Capital	**1,665.7**
Less deductions from total capital	**0.3**
Capital	**1,665.4**
Total risk-weighted exposures	
On-balance sheet exposures	**14,632.8**
Off-balance sheet exposures	**1,149.1**
	15,781.9

14. CAPITAL ADEQUACY (continued)

Total risk weighted exposures of the Banking Group as at 30 June 1997:

On-balance sheet exposures	Principal Amount $m	Risk Weight %	Risk Weighted Exposure $m
Cash and short term claims on Government	**1,093.5**	**0%**	**-**
Long term claims on Government	**486.1**	**10%**	**48.6**
Claims on banks	**1,832.9**	**20%**	**366.6**
Claims on public sector entities	**1.2**	**20%**	**0.2**
Residential mortgages	**7,829.6**	**50%**	**3,914.8**
Other	**10,302.6**	**100%**	**10,302.6**
Total on-balance sheet exposures	**21,545.9**		**14,632.8**

Off-balance sheet exposures	Principal Amount $m	Credit Conversion Factor %	Credit Equivalent Amount $m	Average Counterparty Risk Weight %	Risk Weighted Exposure $m
Direct credit substitutes	**579.2**	**100%**	**579.2**	**100%**	**579.2**
Asset sales with recourse	**49.7**	**100%**	**49.7**	**100%**	**49.7**
Commitments with certain drawdown	**24.9**	**100%**	**24.9**	**100%**	**24.9**
Underwriting and sub-underwriting facilities	**131.5**	**50%**	**65.8**	**100%**	**65.8**
Transaction related contingent liabilities	**190.0**	**50%**	**95.0**	**100%**	**95.0**
Short term self liquidating trade related contingencies	**70.8**	**20%**	**14.2**	**25%**	**3.5**
Other commitments to provide financial services which have an original maturity of one year or more	**232.8**	**50%**	**116.4**	**100%**	**116.4**
Other commitments with an original maturity less than one year or which can be unconditionally cancelled at any time	**5,120.3**	**0%**	**-**	**100%**	**-**
Market related contracts (note 1)					
- Foreign exchange	**19,525.2**		**501.0**	**26%**	**130.2**
- Interest rate	**27,161.2**		**279.5**	**30%**	**84.4**
Total off-balance sheet exposures	**53,085.6**		**1,725.7**		**1,149.1**

Note 1 - Market related contracts are calculated using the current exposure method.

15. MARKET RISK

Aggregate market risk exposures have been calculated in accordance with clauses 1 (a) and 8 (a) of Schedule 8 of the Order. In accordance with the Order the disclosures in respect of market risk are not subject to audit review.

			Consolidated			
	Unaudited 30/06/97		Unaudited 30/06/96		Unaudited 30/09/96	
Exposures to market risk	**As at**	**Peak**	As at	Peak	As at	Peak
Aggregate interest rate exposure ($ million)	**66.7**	**62.7**	38.6	39.1	50.7	52.4
Aggregate interest rate exposures as a percentage of equity	**6.5%**	**6.8%**	3.0%	3.0%	5.7%	5.9%
Aggregate foreign currency exposures ($ million)	**2.8**	**4.9**	1.3	7.1	1.8	11.4
Aggregate foreign currency exposures as a percentage of equity	**0.3%**	**0.5%**	0.1%	0.6%	0.2%	1.3%

The Bank has equity investments of approximately $ 447 million (30/06/96 $ nil; 30/09/96 $ nil), but has entered into guarantee arrangements with its ultimate parent bank to eliminate equity risk.

Directors' Statement

As at the date of the Short Form Disclosure Statement, after due enquiry, the Directors believe;

i. The Short Form Disclosure Statement contains all the information that is required by the Registered Bank Disclosure Statement (Off Quarter - New Zealand Incorporated Registered Banks) Order 1995;

ii. ANZ Banking Group (New Zealand) Limited complies with the Conditions of Registration;

iii. Credit exposures to connected persons are not contrary to the interests of the Banking Group;

iv. ANZ Banking Group (New Zealand) Limited has systems in place to monitor and control adequately the Banking Group's material risks, including credit risk, concentration of credit risk, interest rate risk, currency risk, equity risk, liquidity risk and other business risks, and that those systems are being properly applied;

v. The Short Form Disclosure Statement is not false or misleading as at the date on which the Short Form Disclosure Statement is signed.

The General Short Form Disclosure Statement has been signed by or on behalf of all the Directors of the Bank on 21 August 1997.

KPMG

Independent Examination Report
to the Directors of ANZ Banking Group (New Zealand) Limited

We have examined the interim financial statements including supplementary information for the nine months ended 30 June 1997 set out on pages 8 to 19, with the exception of the market risk disclosures included in note 15. In accordance with Reserve Bank of New Zealand guidelines the disclosures in respect of market risk are not subject to audit review. The interim financial statements and supplementary information provide information about the past financial performance and financial position of ANZ Banking Group (New Zealand) Limited (the 'Registered Bank') and its subsidiary companies (the 'Banking Group'). This information is stated in accordance with the accounting policies set out on page 12.

Directors' responsibilities

The Directors are responsible for the preparation of interim financial statements and supplementary information which give a true and fair view of the financial position of the Banking Group as at 30 June 1997 and of the results of its operations and cash flows for the nine months ended 30 June 1997.

Auditors' responsibilities

It is our responsibility to independently examine the interim financial statements presented by the Directors and state whether anything has come to our attention that would cause us to believe that the interim financial statements or supplementary information do not present a true and fair view of the matters to which they relate.

Our examination has been conducted in accordance with the Review Engagement Standards issued by the Institute of Chartered Accountants of New Zealand. A review or examination is limited primarily to enquiries of the Banking Group personnel and analytical review procedures applied to financial data, and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Statement

Based on our examination nothing has come to our attention that would cause us to believe that the interim financial statements or supplementary information do not present a true and fair view of the matters to which they relate.

Our examination was completed on 21 August 1997 and our statement is made as at that date.

KPMG

Wellington, New Zealand