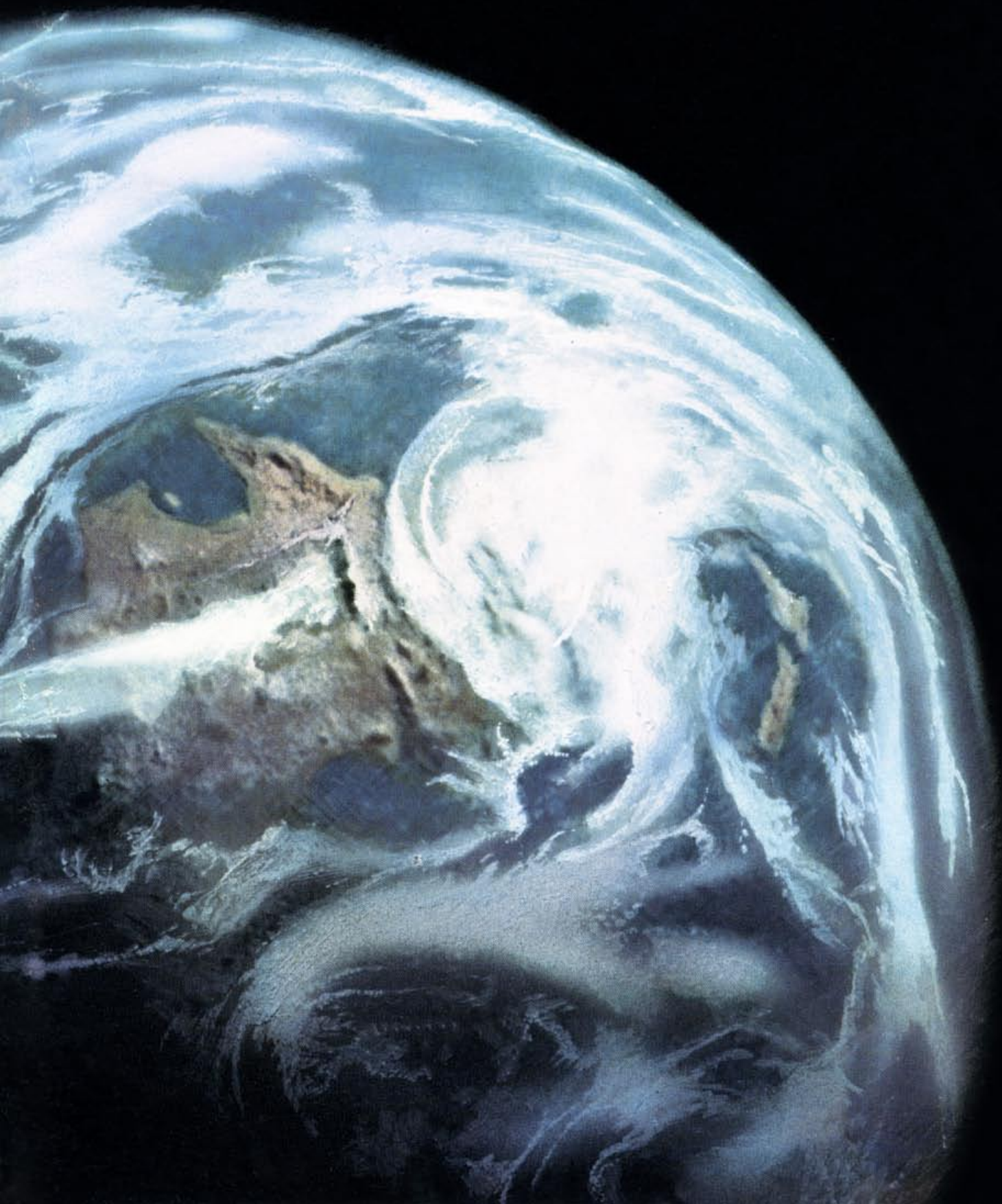


**Australia and New Zealand Banking Group Limited
Report and Accounts 1969**



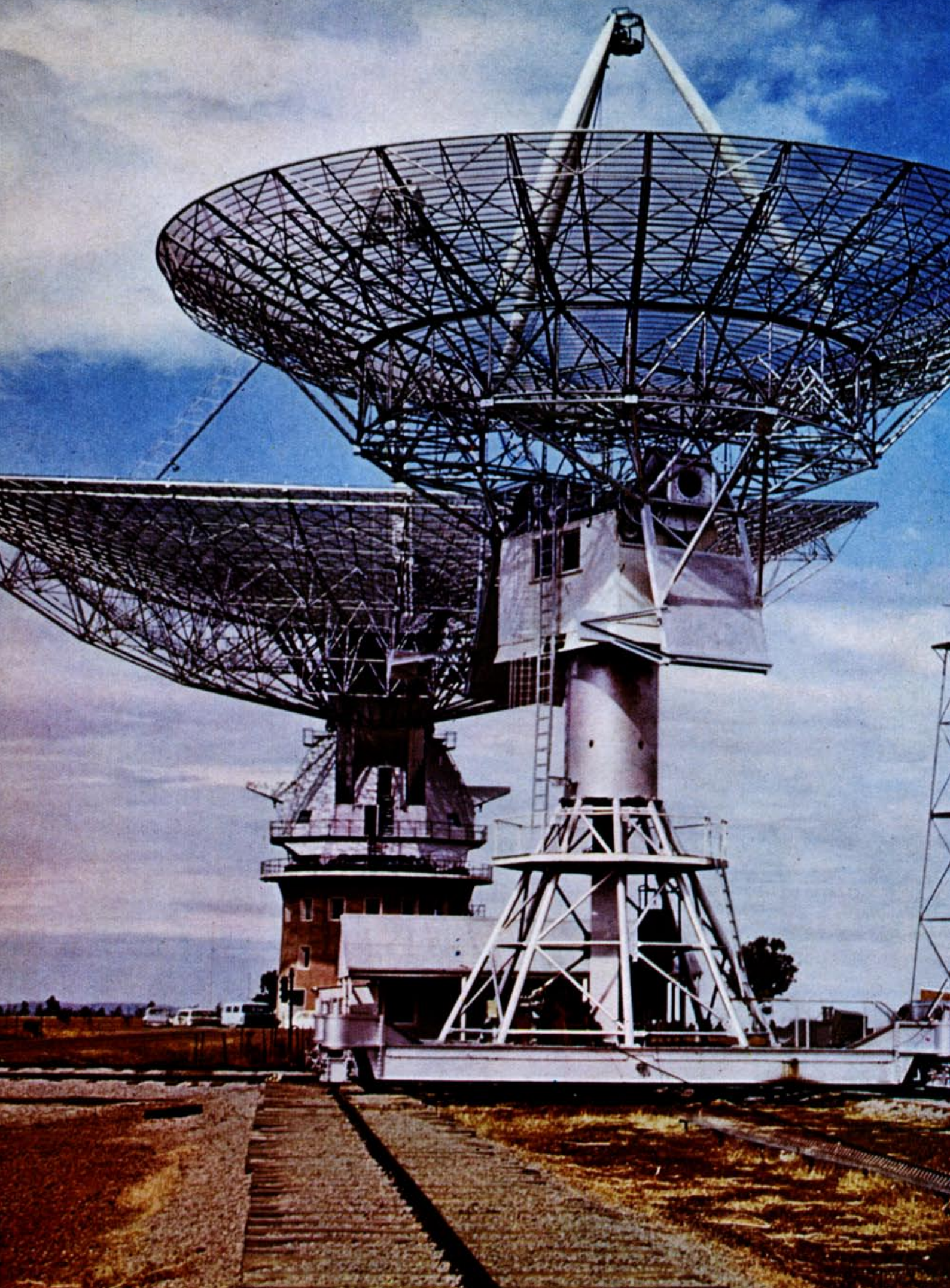
Australia and New Zealand Banking Group Limited

Incorporating Australia and New Zealand Bank Limited and The English, Scottish and Australian Bank, Limited

Incorporated in England
Registered Office: 71 Cornhill, London, E.C.3

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Notice of Meeting

NOTICE IS HEREBY GIVEN that the first Annual General Meeting of Australia and New Zealand Banking Group Limited will be held at the Registered Office, 71 Cornhill, London, E.C.3, on Wednesday, 21st January, 1970, at 12.30 p.m. for the following purposes:

1. To receive the report of the Directors and the accounts for the period ended 30th September, 1969.
2. To declare a dividend.
3. To re-elect Directors.
4. To fix the remuneration of the Auditors.
5. To consider and, if thought fit, to pass the following resolution which will be proposed as a Special Resolution:

"THAT the Bill entitled 'A Bill to provide for the transfer to Australia and New Zealand Banking Group Limited of the undertakings of Australia and New Zealand Bank Limited and The English, Scottish and Australian Bank, Limited and for other purposes incidental thereto and consequential thereon and to provide for the incorporation of Australia and New Zealand Savings Bank Limited in the State of Victoria in the Commonwealth of Australia, for the cesser of application to that company of provisions of the Companies Acts 1948 to 1967 consequent upon such incorporation, and for other purposes incidental thereto' applied for by Australia and New Zealand Banking Group Limited in the month of November 1969, and as proposed to be presented to the House of Commons or introduced in the House of Lords is hereby approved subject to such additions, alterations and variations as Parliament may think fit to make therein and the Directors may approve."

By Order of the Board

J. W. Agate, Secretary

71 Cornhill, London, E.C.3.

29th December, 1969.

Special notice has been given to the Company that a resolution will be proposed at the Meeting for the re-election of Viscount Bridgeman, who at the date of the Meeting, will be aged 73 years.

A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member. A form of proxy is enclosed.

Information for Shareholders

An explanation of the Special Resolution appears in the Statement by the Chairman. Copies of the Bill are available for inspection during normal business hours until the date of the Annual General Meeting at the Registered Office of the Company, 71 Cornhill, London, E.C.3., in Australia at 394-396 Collins Street, Melbourne, 3000, and in New Zealand at 196 Featherston Street, Wellington. Copies will also be available at the Meeting.

The following are available for inspection at the Registered Office of the Company, 71 Cornhill, London, E.C.3, during normal business hours on any weekday (Saturdays excluded) from the date of the Notice of Meeting until the conclusion of the Annual General Meeting:

Register of Directors' share interests in the Company.

Copies of Directors' contracts of service with the Company.

Radio telescopes at Parkes, New South Wales. The 210-foot telescope pictured at the rear played a key role in the historic Apollo 11 moon mission telecast to the world in July 1969. From six minutes after Neil Armstrong took his first step on the moon until the end of the mission—4 hours, 55 minutes later—the world received television transmission via this telescope.

Board of Directors

Chairman

The Right Hon. Lord Carrington, P.C., K.C.M.G., M.C.

Deputy Chairmen

The Right Hon. Viscount Hampden

R. E. B. Lloyd

Sir Colin S. Anderson, K.B.E.

Sir Donald F. Anderson

The Hon. E. L. Baillieu

The Right Hon. Viscount Bridgeman, K.B.E., C.B., D.S.O., M.C.

C. A. W. Dawes, M.C.

The Hon. Sir Geoffrey C. Gibbs, K.C.M.G.

Angus Mackinnon, D.S.O., M.C.

A. D. Marris, C.M.G.

Colonel A. T. Maxwell, T.D.

P. E. Nesbitt, D.S.O.

The Right Hon. Lord Remnant

C. H. Rennie

R. T. Renton

D. J. Robarts

Alexander Ross

H. McE. Scambler

R. H. Senior, D.S.O., T.D.

R. C. Wheeler-Bennett

Secretary

J. W. Agate

The Directors named above are also Directors of the Company's subsidiaries, Australia and New Zealand Bank Limited (Chairman—Lord Carrington) and The English, Scottish and Australian Bank, Limited (Chairman—Viscount Hampden).

Senior Executives

Australia and New Zealand Bank Limited

General Manager

C. H. Rennie

Deputy General Manager (Personnel)

R. A. Orpwood

Assistant General Managers

T. F. Downey

J. C. Macvean

D. H. Merry (Chief Economist)

W. H. Simon

Chief Manager for New Zealand

C. G. Hankin

Chief Manager (U.K. and Europe)

R. J. Sutton

The English, Scottish and Australian Bank, Limited

General Manager

H. McE. Scambler

Senior Deputy General Manager

J. Jennings

Deputy General Manager

R. B. Scotcher

Assistant General Managers

K. H. C. Swan

P. B. Sinnott

Chief Manager, Esanda Limited

G. W. Kimber

Report of the Directors

The Directors have pleasure in presenting their first report for the Company, together with the audited accounts for the period ended 30th September, 1969. The accounts include the profit of Australia and New Zealand Bank Limited and its subsidiaries for the year ended 30th September, 1969, and the profit of The English, Scottish and Australian Bank, Limited and its subsidiaries for the 15 months ended 30th September, 1969.

The accounts of the principal subsidiaries are appended for information.

Formation

The Company was incorporated as a private company on 16th January, 1969, with a nominal capital of £100, for the purpose of implementing the merger of Australia and New Zealand Bank Limited and The English, Scottish and Australian Bank, Limited. Following conversion into a public company in February, 1969, the Company, on 23rd June, 1969, increased its authorised capital to £35,000,000 and acquired the issued capitals of Australia and New Zealand Bank Limited and The English, Scottish and Australian Bank, Limited by the issue to shareholders of those two banks of 32,130,000 shares of £1 each in the Company in exchange for their existing shareholdings.

At a later date the businesses of the two banks will be transferred to the Company and it is proposed that this should be effected by legislation in the countries and areas where either of the two banks operate.

Activities

The Company is a holding company owning the issued share capitals of Australia and New Zealand Bank Limited and The English, Scottish and Australian Bank, Limited. The main activity of the two subsidiaries is the business of banking and related financial

services in Australia, New Zealand, the Pacific area and the United Kingdom. Details of the principal subsidiary and associated companies and trade investments are shown on pages 37 to 39; a list of Group services is shown on page 44.

Results

The consolidated profit of the Company and its subsidiaries on the basis described in the consolidated profit and loss account on page 19 was £6,918,000. To this has to be added consolidated balances brought forward amounting to £3,514,000 making a total of £10,432,000. Of this sum, subsidiary companies have made transfers to published reserves of £3,039,000 leaving £7,393,000 for appropriation.

Dividends

In accordance with the proposals for the merger submitted to the former members of Australia and New Zealand Bank Limited and The English, Scottish and Australian Bank, Limited, dividends totalling £1,208,000 were paid to them on 15th July, 1969. The Directors now recommend that, as mentioned in the merger proposals, a final dividend of 5½ per cent should be paid absorbing £1,847,000 and leaving consolidated balances of £4,338,000 to be carried forward to next year.

The final dividend of 5½ per cent will, if approved, be paid on 22nd January, 1970, to those members registered in the books of the Company at the close of business on 8th December, 1969. The dividend will be paid less United Kingdom income tax at the standard rate in force at the time of payment (currently 41.25 per cent), except that withholding tax at the reduced rate of 15 per cent will be deducted in the case of shareholders resident in Australia and New Zealand who participate in the special arrangements for the Australian and New Zealand branch registers.

Report of the Directors/continued

Directors

The names of the present Directors of the Company are set out on page 4, and with the exception of Mr. C. H. Rennie and Mr. H. McE. Scambler, they have acted for the Company since it was incorporated in January, 1969.

The Directors record with deep regret the death in June, 1969, of their colleague, Sir Keith Officer, O.B.E. M.C., who gave distinguished service to The English, Scottish and Australian Bank, Limited for some 14 years.

In June, 1969, Mr. H. McE. Scambler was appointed Managing Director of the Company and Mr. C. H. Rennie was appointed a Director and Chief General Manager. In accordance with the Articles of Association, these two Directors retire and, being eligible, offer themselves for re-election.

In accordance with the Articles of Association,

Viscount Bridgeman,
Mr. Angus Mackinnon,
Mr. P. E. Nesbitt,
Lord Remnant

and

Mr. D. J. Robarts,

retire by rotation at the Annual General Meeting and, being eligible, offer themselves for re-election. The Company has received the necessary special notice of a Resolution for the re-election of Viscount Bridgeman who, at the date of the Meeting, will be aged 73 years.

Sir Colin Anderson who also retires by rotation at the Annual General Meeting has decided not to seek re-election. The Directors wish to place on record their great appreciation of Sir Colin's services which date back to 1936 when he was first appointed a Director of The Union Bank of Australia Limited which merged with The Bank of Australasia in 1951 to form Australia and New Zealand Bank Limited.

Brief biographical details of the Directors standing for re-election are appended below:

Viscount Bridgeman

A Director of Australia and New Zealand Bank Limited since its formation in 1951

and previously a Director of The Union Bank of Australia Limited from 1949. Other directorships include the Birmingham local board of Lloyds Bank Limited.

Mr. Angus Mackinnon

A Director of Australia and New Zealand Bank Limited since its formation in 1951 and previously a Director of The Union Bank of Australia Limited from 1948. Other directorships include Brown Shipley and Company Limited, Guardian Royal Exchange Assurance Limited and Peninsular and Oriental Steam Navigation Company.

Mr. P. E. Nesbitt

Appointed a Director of Australia and New Zealand Bank Limited in 1961. Managing Director of Gollin and Company Limited and a Director of Australian Agricultural Company.

Lord Remnant

A Director of The English, Scottish and Australian Bank, Limited since 1965 and a Fellow of the Institute of Chartered Accountants. Other directorships include The Union Discount Company of London Limited and several leading Investment Trust Companies.

Mr. C. H. Rennie

The Australian resident Chief General Manager of the Company and a Director and General Manager of Australia and New Zealand Bank Limited. Other directorships include Australian Resources Development Bank Limited and Australian Banks' Export Re-finance Corporation Limited.

Mr. D. J. Robarts

A Director of Australia and New Zealand Bank Limited since its formation in 1951 and previously a Director of The Bank of Australasia from 1939. Chairman of National Westminster Bank Limited and a Director of Coutts & Co., Robert Fleming and Co. Limited, Sun Life Assurance Society Limited and Imperial Chemical Industries Limited.

Mr. H. McE. Scambler

The Australian resident Managing Director of the Company and a Director and General Manager of The English, Scottish and

Report of the Directors/continued

Australian Bank, Limited. Chairman of Australian Resources Development Bank Limited and a Director of Australian Banks' Export Re-finance Corporation Limited.

Directors' Share Interests

The respective holdings, beneficial and otherwise, in the share capital of the Company are detailed with the analysis of shareholdings on page 36.

Personnel

The weekly average number of persons employed by the Company and its subsidiaries during the period and the aggregate remuneration paid was:

	Number of Employees	Aggregate Remuneration
Overseas	17,271	£27,127,098
United Kingdom	869	£1,355,344

Donations

During the period the Company and its subsidiaries made charitable donations in the United Kingdom totalling £2,407.

Branch Representation

The banking business of the Group is conducted by Australia and New Zealand Bank Limited and The English, Scottish and Australian Bank, Limited through 1,649 branches, sub-branches and agencies which are geographically located as follows:

Location	Branches and Sub-Branches	Agencies
Australia	1,147	283
New Zealand	149	52
Pacific Islands:		
Fiji	2	2
Papua	2	—
New Guinea	4	1
British Solomon Islands	1	—
*New Hebrides (to be opened shortly)	1	—
England:		
London	6	—
United States of America:		
New York Representative Office		
Japan:		
*Tokyo Representative Office		

*Offices in the name of Australia and New Zealand Banking Group Limited.

Finance Act 1965

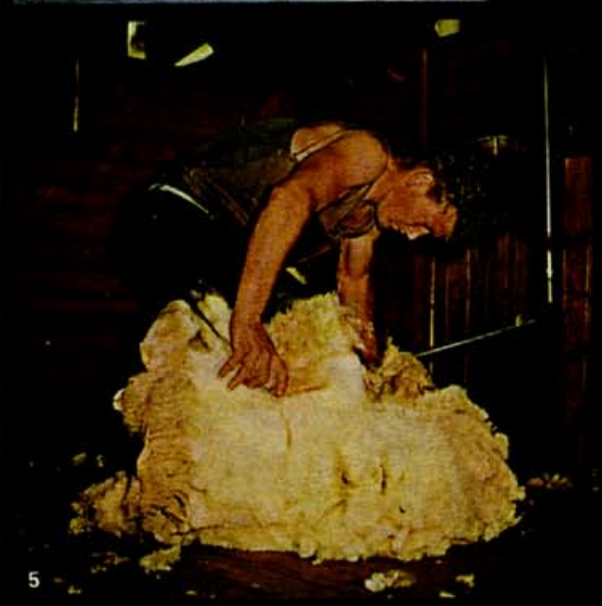
The close company provisions of the Finance Act 1965, as amended, do not apply to the Company.

At the 6th April, 1965, the market value of a share in Australia and New Zealand Bank Limited was 44s. 6d. and of a share in The English, Scottish and Australian Bank, Limited, was 38s. This information may be required for United Kingdom capital gains tax purposes.

Auditors

The present Auditors, Messrs. Peat, Marwick, Mitchell & Co., who were appointed in January, 1969, have signified their willingness to continue in office and a resolution fixing their remuneration will be proposed at the Annual General Meeting.

By Order of the Board
J. W. Agate, Secretary
London
2nd December, 1969



- 1) Loading Iron Ore at Port Hedland, Western Australia.
- 2) Cotton Harvester operating in the Ord River area of Western Australia.
- 3) Container Terminal, White Bay, Sydney, New South Wales.
- 4) Wheat Harvester operating in the Wimmera district of Victoria.
- 5) Sheep shearing – Australia.
- 6) Pouring Gold Bars at Mount Charlotte Mine, Western Australia.

These are typical of the many mining, agricultural and commercial activities which are being developed with the financial assistance of the Group.

Statement by the Chairman

The Right Hon. Lord Carrington, P.C., K.C.M.G., M.C.

It is with great pleasure that I present this first Report of Australia and New Zealand Banking Group Limited. As its Chairman I take this opportunity of paying tribute to all those who have helped to bring about the merger of Australia and New Zealand Bank Limited and The English, Scottish and Australian Bank, Limited. The Directors of the two merging banks are already working together as a united team and I thank them for their confidence in appointing me as the first Chairman of the new bank.

I am very sorry to tell you that Sir Keith Officer died last June. He had given distinguished service to E.S. & A. Bank for some 14 years and we miss him very much from our meetings.

To our great regret Sir Colin Anderson has decided that the time has come for him to retire from the Board and so he will not be seeking re-election. I should like to thank him for all he has done for A.N.Z. Bank and the Union Bank of Australia over a period of 33 years. He has interested himself in all aspects of our business, and particularly in our buildings where his special knowledge has been of great value to the Board.

Mr. H. McE. Scambler, General Manager of E.S. & A. Bank and Mr. C. H. Rennie, General Manager of A.N.Z. Bank have joined the Board of A.N.Z. Banking Group. Mr. Scambler has been appointed Managing Director and Mr. Rennie Chief General Manager. I am sure that shareholders will join me in welcoming these appointments and will feel that it is right that our most senior executive officers in Australia should be on the Board of the new bank. They have also joined the Boards of the two merging banks.

Progress of Merger

Following sanction by the High Court of Justice last June of the Scheme of Arrangement for the merger of A.N.Z. and E.S. & A. Banks, and approvals by Governments in Australia and New Zealand, good progress has been made in the complex task of merging the two organisations.

This task involves the transfer of the trading bank undertakings, now conducted by A.N.Z. Bank and E.S. & A. Bank, to the parent company, A.N.Z. Banking Group, which will then become the operating trading bank. It also involves the merging of the savings bank businesses conducted by the two banks in Australia into the one company, Australia and New Zealand Savings Bank Limited.

Arrangements are proceeding to integrate these trading and savings bank businesses in each of the countries where we operate, and to provide a wider range of specialised facilities and improved efficiency, combining the best features of each bank's systems.

In order to achieve integration it is necessary for A.N.Z. Banking Group to promote a private Act of Parliament in the United Kingdom. Under the standing orders of Parliament the approval of the members of the Company is required for this legislation, and an appropriate special resolution is included in the Notice of the Annual General Meeting on page 3 of this booklet. Similar legislation is also being promoted, where appropriate, in the other countries and territories where either of the two banks operate and our objective is to achieve the integration of the two businesses by 1st October, 1970.

The general effect of the legislation, if passed, will be to transfer the undertakings of the two existing banks to A.N.Z. Banking Group on a date to be appointed with a minimum of inconvenience to customers, to staff and indeed to all who do business with the existing banks.

We are also seeking by means of the legislation to transfer the place of incorporation of Australia and New Zealand Savings Bank Limited from England to Australia. The whole of that bank's assets are employed in Australia, it is managed and controlled there, and so it is appropriate that it should be incorporated in that country.

The unification of systems, procedures and organisations of the two banks requires detailed consideration of a multitude of matters and a flow of decisions on how these are to be handled in the new bank. For this purpose, merger committees are operating at general management level, while operational aspects are being co-ordinated by specialist sub-committees, drawn from both banks and working in friendly co-operation. Meanwhile, the two banks continue to operate under their separate banking licences and we have symbolised the spirit which has been engendered by naming the existing period the "Partnership Period", and the date when the two organisations will become one, "Unity Day".

Planning is well advanced to rationalise representation where both banks are now established, but this programme will be executed gradually so that the interests of the

Statement by the Chairman/continued

banks and their customers and staff will be fully protected. Meanwhile, our expansion to meet the banking needs of Australia, New Zealand and the Pacific area will continue.

The Bank's Results

Although gross income increased in all sectors of our business, I have to report that in common with other banks trading in Australia and New Zealand, the Group results have been affected by the very large increases in salaries in both Australia and New Zealand. In addition, A.N.Z. Bank has borne heavy costs in connection with the further expansion of the computer installation in Australia and the initial costs of putting the whole of its New Zealand business on to the Databank computer system in that country. You will see in the accounts that the Group results include 15 months profits for E.S. & A. Bank and 12 months profits for A.N.Z. Bank. Overall, the consolidated profit is marginally down on the combined 1968 figures of the two banks after adjusting the E.S. & A. figures for 1969 to a 12 months basis. Once again our savings bank subsidiaries and, in particular our hire purchase subsidiary, Esanda Limited, have made valuable contributions to the overall results.

Your directors propose a final dividend of $5\frac{3}{4}$ per cent at a cost of £1,847,000. You will remember that under the terms of the merger the rates at which the interim dividends were paid to former members of A.N.Z. Bank and E.S. & A. Bank were adjusted to take note of the different accounting periods of the two banks. However, the total dividends for 1969 represent an effective increase in income for all shareholders. Total transfers to published reserve funds in the trading banks and their subsidiaries were £3,039,000 leaving £4,338,000 to be carried forward in the Group accounts.

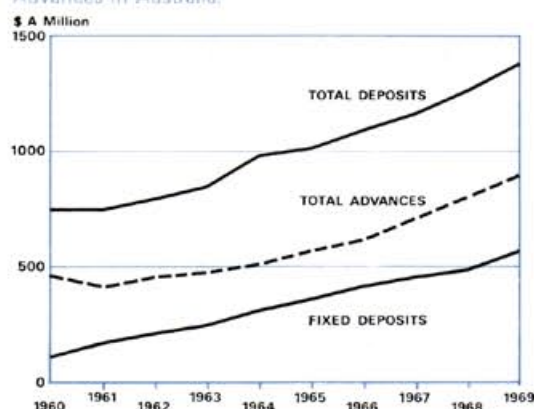
In the year to September, 1969, trading bank deposits in Australia of the two banks increased from \$A1,261.9 million to \$A1,380.1 million, while advances rose from \$A802.4 million to \$A892.2 million. Their share of all Australian major trading bank deposits was held at about 22 per cent and their share of advances rose from 21.9 per cent to 22.4 per cent.

Aggregate savings bank deposits increased by \$A62.2 million in the year to \$A640.5 million—the share rising from 9 per cent to 9.2 per cent of all savings bank deposits.

In New Zealand deposits increased from

NZ\$164.9 million to NZ\$187.5 million (the share rising from 22.8 per cent to 23.3 per cent) advances from NZ\$108.4 million to NZ\$126.6 million (the share rising from 20.6 per cent to 21.7 per cent) and savings deposits by NZ\$12.4 million to NZ\$76.7 million, representing a rise in share from 4.2 per cent to 4.7 per cent of all savings bank deposits.

A.N.Z. and E.S. & A. Trading Banks — Deposits and Advances in Australia.



The Potential of the Merger

Australia and New Zealand—the main fields of the new Bank's operations—are enjoying high levels of prosperity, with prospects for continued rapid growth, both industrial and rural. In general the Pacific countries exhibit faster development than most regions of the world in terms of the flow of international trade, levels of income, industrial development and population increase. Such an environment provides a worthy challenge and great scope for the sophisticated financial services which the bank provides. A.N.Z. Banking Group is fortunate in that, while operating in regions of fast growth, it has effective links throughout the world and particularly with the British banking system and money markets in London, Europe and North America giving it a special expertise in the deployment of funds (in present conditions mainly Euro-currencies) which are urgently needed to match the major developments, especially in minerals, of our customers in countries bordering the Pacific. Growing standards of living in Australia are indicated by the growth of the Gross National Product as expressed in real terms after allowing for price increases i.e. the aggregate volume of goods and services produced in the community. Real G.N.P. in Australia in 1968-69 was 8.5 per cent

Statement by the Chairman/continued

greater than in the previous year. This expansion included the benefit of recovery from a drought which seriously affected rural industries, but even this year, when some parts of Australia are adversely affected by another drought, real growth of G.N.P. is expected to exceed 6 per cent.

The mineral developments of Australia and, to a lesser extent, of New Zealand, have made important contributions to the region's progress in recent years. These large-scale projects require international co-operation in financing, developing, managing and marketing. Both merging banks have had an important role in these developments, providing finance and specialist advisory services.

During the period under review, borrowing abroad at fixed interest for Australian ventures has been inhibited by the high interest rates in world money markets. This has increased pressure on borrowings in Australia and has added to the problems of providing the very large sums required for capital-intensive developments.

The Australian Resources Development Bank Limited, formed by the major Australian trading banks in 1967, is now making an important contribution to our ability to arrange multi-million dollar loans for natural resource projects in which Australians enjoy ownership. A number of such loans by our merging banks are being re-financed by the Resources Bank from funds it raises on longer-term deposits, and which it will later augment from overseas sources.

Pacific—Region of Growth

As well as Australia and New Zealand, many other Pacific countries also enjoy comparatively fast rates of increase in their populations, incomes and trade, and it is of great significance for A.N.Z. Banking Group to have its operations centred on such a region. For example, total imports and exports of the major Pacific countries are growing by about 9 per cent annually, compared with the world rate of less than 8 per cent. Australia and New Zealand are gaining increasing shares of the markets of these countries, not only in merchandise trade, but also for services, travel facilities and tourist business. We have demonstrated our participation in this growth by the recent establishment of an A.N.Z. Banking Group representative office in Tokyo, Japan. By providing this liaison point for our banking agents and corporations engaged in business in Australia and New Zealand, we hope to increase our grow-

ing share of trade, investment and tourism business. Japan is now Australia's largest market and New Zealand's third largest. The representative office in New York opened in December 1968 and I am pleased to tell you that it is now fully established and is operating well in our interests.

New branches will continue to be established at carefully selected points in Australia and New Zealand and we intend to open a branch of the new bank in Vila, in the New Hebrides, early in 1970.

We have acquired a 25 per cent interest in the Malaysia Industrial Finance Corporation Berhad, which will afford us the opportunity to participate more fully in the development of that area.

Subsidiary and Associate Companies

Savings Banks—Australia

Australia and New Zealand Savings Bank Limited, a wholly-owned subsidiary of A.N.Z. Bank, earned a net profit of \$A1,333,000 for the year to 30th September, 1969 (\$A1,368,000 in the previous year).

E.S. & A. Savings Bank Limited, a wholly-owned subsidiary of E.S. & A. Bank, earned a net profit of \$A791,000 for the 15 months to 30th September, 1969 (\$A584,000 in the previous 12 months to 30th June, 1968).

Continued strong growth in deposits enabled both savings banks to increase their lending to home purchasers and their investments in local and semi-government authorities for provision of essential services and public works. However, the savings banks are limited in their mortgage lending by regulations requiring them to invest heavily in government and semi-government securities.

A strong demand for housing loans continues, but the Central Bank recently sought the co-operation of all savings banks in keeping such loan approvals within current levels, because of increasing pressures on labour and materials in the building industry.

Savings Bank—New Zealand

A.N.Z. Savings Bank (New Zealand) Limited, a wholly-owned subsidiary of A.N.Z. Bank, earned a net profit of NZ\$216,000 for the year to 30th September, 1969 (NZ\$157,000 in the previous year).

Savings continued to increase throughout the year, with private savings banks making the greatest contribution. In a period of active competition, coinciding with the challenge of conversion to computer processing, A.N.Z.

Statement by the Chairman/continued

Savings Bank maintained its share of private savings bank deposits at a satisfactory 24 per cent.

National Development Bonds and Incentive Savings Bonds are being introduced through the Post Office Savings Bank. Initially, the impact may have some adverse effect on the growth of savings bank deposits, but thereafter, continued development of our savings bank is confidently expected.

Esanda Limited

Esanda Limited, the wholly-owned general finance subsidiary of E.S. & A. Bank, is making valuable contributions to the profit and the growth in the business of A.N.Z. Banking Group. Profit for the 15 months to 30th September, 1969, was \$A4,015,000 compared with \$A2,373,000 (after adjustment for additional tax) in the previous year to 30th June, 1968, and a dividend of \$A1,400,000 was paid to E.S. & A. Bank. While hire purchase continues to be the principal activity, further significant increases were achieved in other areas of business, notably in leasing contracts, which rose by \$A9,334,000 to \$A31,975,000 and in business and consumer loans, which increased from \$A45,094,000 to \$A60,857,000 in the period under review.

I.A.C. (Holdings) Limited

Through A.N.Z. Bank, a 21.7 per cent interest in the ordinary capital of I.A.C. (Holdings) Limited is held. This company experienced a further successful year, its profits rising by \$A254,000 to \$A5,888,000. The dividend we received from this source remained at \$A600,000.

United Dominions Corporation Finance Limited—New Zealand

During the year, close co-operation continued between A.N.Z. Bank and New Zealand's premier finance company, United Dominions Corporation Finance Limited in which the bank has a 20 per cent shareholding. In a period of severe credit control, each was able to supplement the other's business in a mutually satisfactory manner. The company's consolidated net profit after tax for the year to March 1969 was NZ\$271,000, a rise of 9 per cent on the previous year. Our dividend from this investment remained at NZ\$36,000.

Representation

Since the last Annual Reports the number

of branches of the merging banks has been increased by 21, including those converted from sub-branch and agency status, bringing the total to 1,244 at 30th September last. To provide efficient premises for existing operations and for the foreseeable future, several large building projects are in hand or planned. The largest real estate purchase of the year was of five adjoining properties in the heart of Melbourne, with 264 feet frontage to Collins Street and 157 feet frontage to Exhibition Street. A building will be erected on this commanding corner site as the Australian headquarters of A.N.Z. Banking Group.

A 22-storey building is being erected by Esanda Limited in the business heart of Sydney, with a frontage of 192 feet to Martin Place and 79 feet to Pitt Street, for occupation by mid-1972. This building is expected to house the New South Wales headquarters of A.N.Z. Banking Group, with an important banking office on the ground floor.

New premises for an A.N.Z. Bank branch at Hereford Street, Christchurch, have recently been opened, while another major building under way is the eight-level project at the corner of King William and Currie Streets, Adelaide, to house the principal A.N.Z. Bank City branch.

Personnel

We express warm appreciation to the men and women of A.N.Z. and E.S. & A. Banks for their enthusiastic and successful work since the last Annual Reports were issued. A spirit of optimism and ready co-operation is evident throughout the service, and is the greatest asset on which we plan to establish the new bank.

We are deeply conscious that the success of our banks is due, in no small measure, to the joint efforts of thousands of men and women, and we believe that when Unity Day arrives, the team formed by uniting the staffs of both banks will play an equally effective role in ensuring the success and growth of the new bank.

Staffs of both banks have been assured that emoluments, general conditions of service and opportunities for advancement will be at least as good in the new bank as those now existing.

During the period the Senior Deputy General Manager of A.N.Z. Bank, Mr. R. J. Thomas, retired after a career of 47 years. From E.S. & A. Bank, Mr. A. L. Eason, Senior Deputy General Manager, retired after 47

years of service and Mr. N. C. Westerman, Assistant General Manager, after 44 years. We wish them well in their retirement and acknowledge with gratitude their distinguished careers.

Electronic Data Processing

During 1969, A.N.Z. Bank in New Zealand successfully converted its 139 branches to computer processing. This enabled us to take advantage of our investment in Data-bank Systems Limited, which is owned jointly by the five trading banks operating in New Zealand. This unique system, linking all branches of all trading banks to a common computer system, will benefit customers and the bank.

A full range of money transfer services has been introduced, supplementing existing means of payment. New customer services, incorporating some of the most advanced techniques known to the banking industry, are in course of development, and existing services will be further developed as the full potential of the computer is utilised.

Our thanks are due to our staff throughout New Zealand for their co-operation and efforts which have made this conversion to computer processing so successful.

The Economic Scene—Australia

Strong growth continued in the Australian economy. While mineral developments tended to dominate the news, all-round expansion was achieved, and was reflected in the increase of about 12 per cent in Gross National Product in the year to June 1969 of which about 3.5 per cent was accounted for by price increases and 8.5 per cent represented real growth.

Mining and quarrying provides only about 2 per cent of G.N.P. but accounts for much larger shares of Australia's investment and exports. Value of mineral production for 1968 exceeded \$A850 million, 23 per cent higher than in the previous year. This was supported by established producers, as well as newly developed mining centres, notably Mt. Newman (Western Australia) and Savage River (Tasmania). A.N.Z. and E.S. & A. Banks operate branches on several of the mining fields.

Further progress was made on oil and natural gas projects. Natural gas reached Brisbane, Melbourne and Adelaide by pipeline during 1969. Bass Strait oil production is now established and, with supplies from Queensland and Western Australia, will meet up to two-thirds of domestic require-

ments within a few years. However, because of the rapid expansion of consumption, discovery of further large oil reserves is necessary if domestic production is to keep pace with rising demands.

Construction continues of facilities for processing oil, gas and minerals, particularly iron, bauxite and nickel. These absorb vast sums of money, involving new ports, extensive railway systems and complex technical plants in the chemical, fertilizer and steel industries. They are widely spread around the Continent, including several units in the northwest, the southwest, at Westernport Bay in Victoria, the west coast of Tasmania and Cape York in North Queensland. As well as stimulating the domestic economy, these projects augment export earnings. Estimates by knowledgeable authorities in recent years have been rendered obsolete by new discoveries or additional sales contracts. In 1968, the Federal Government estimated that mineral exports would realise \$A1,000 million by 1973-74. They subsequently estimated that this level will be reached in 1970-71. In addition, some projects, especially oil production, will effect a very large import saving.

About half the mineral export contracts are with Japan, but other important markets are also being developed.

Rural Sector

The year saw a spectacular and rapid recovery from the drought of 1967-68, especially in the large increase in the wheat crop to about 535 million bushels. A direct result of considerable significance for the banks, was the increase in credit provided by the Central Bank to finance advances by the Wheat Board to growers.

Output of other rural industries also improved, so that gross value of rural production rose by about 17 per cent in the year 1968-69. This not only boosted bank deposits, but also facilitated the repayment of some bank loans extended during the previous drought.

Australia's rural sector in common with other countries is suffering a cost price squeeze and some major products face marketing problems. Wheat quotas have been set to align production more with available export markets and storage capacity. However, estimates of the current crop have fallen in recent months as a result of adverse seasonal conditions in parts of Queensland

Statement by the Chairman/continued

and Western Australia where the overall harvest will probably fall short of State quotas.

The wool clip is larger than last season but prices have weakened slightly. Altogether net rural income in Australia could well be 15 to 20 per cent lower than last season.

The merging banks both have widespread representation in rural areas but the new bank will provide an even better balanced and wider network, giving a broader base from which to draw deposit funds. This will enable us to give even more effective support to areas which, from time to time, are adversely affected by the seasons.

Factory Activity

Australian factory production continued to expand over the year, although not at a steady pace throughout the year nor at the same rates in every sector. The durable goods index rose by about 4 per cent in the year to September, while the non-durables index gained about 10 per cent.

The rate of investment in building, construction, plant and equipment in Australian manufacturing remains high, but the increase in spending on factory plant does not appear to have been sustained in the last few years at the very rapid pace set in the mid 1960s. There is evidently some unused capacity in factories, suggesting that further growth of output can be achieved without straining capacity, but with very favourable effects on profitability.

Overseas Trade

The recovery of rural exports, booming mineral exports and continued expansion of exports of manufactures combined to expand Australia's overseas earnings by about 10 per cent in 1968-69. Capital inflow of \$A1,154 million was only slightly less than the previous year's record, official borrowing abroad continuing to support a strong inflow of private capital.

Despite Australia's prosperity, spending on imports was only 1 per cent greater than in the previous year, so that overseas reserves gained \$A214 million in the year to June last. At the end of September they stood at \$A1,131 million.

Guidelines Policy

Australia's interest rates have generally been low by world standards, a position which can be sustained by central Exchange Control. But it has meant that traders and investors, including the international mining

and manufacturing companies operating in Australia, have preferred to borrow in Australia if possible. This has contributed to the need for Australia to revise her guidelines policy, which sets out the conditions under which overseas-owned firms may borrow at fixed interest (including bank loans) in Australia. This policy has recently been combined with the Australian Government's aims to encourage overseas organisations to offer Australian investors opportunity for equity partnership wherever possible. The guidelines policy was set out in terms of a formula stated in a public announcement by the Prime Minister last September.

In current circumstances of world finance and some uncertainty previously prevailing about the Australian guidelines, there was apparently need for such a clarifying statement. Although measures which may inhibit the free flow of capital and the appropriate organisation of corporate structures are generally unwelcome the guidelines policy as enunciated is not expected to retard Australia's growth rate at this important stage of its development.

Banking and Monetary Policy

Recent Australian monetary policy shows the reliance the Federal Government places on the banking system as an avenue of economic control. In the later months of 1968, as part of national policy of dampening down the economy, the Statutory Reserve Deposit ratio was raised from 8 per cent to 9 per cent by two increases of 0.5 per cent each in October and November and maximum bank overdraft rate was raised from 7.25 per cent to 7.5 per cent. In the following months, the upward trend in bank lending slowed down.

However, the liquidity of the community continued to increase more than expected, because of the very buoyant inflow of capital coupled with strong export earnings (while import growth was quite restrained). Also, the large expansion of Rural Credits to finance the bumper wheat crop directly augmented bank deposits.

In these circumstances, the Government judged there was excess liquidity in the economy as a whole, so that in mid-1969, term deposit interest rates were raised and the maximum overdraft rate was increased by another 0.25 per cent. Statutory Reserve Deposit ratio was raised by 0.5 per cent in August and again by 0.5 per cent in October, making the ratio now 10 per cent.

Statement by the Chairman/continued

Government debt management was also used to absorb liquidity during the year. Bond rates were raised in the July 1969 loan, consistent with the other policy measures. While these measures helped restrain expansionary forces, they were not adequately supported by fiscal policy in the Federal budget for 1969–70.

A result is that non-banking sectors of the economy are again expanding much more rapidly than banks have been permitted to do. While deposits of major trading banks rose by 9.9 per cent in the year to 30th September and advances by 8.8 per cent, most other indicators of financial activity, and G.N.P. itself, rose materially faster, as did the assets of most of the financial institutions which operate independently of Central Bank direct controls.

With this erosion of the banks' influence relative to the finance sector generally the authorities' power to control the economy is weakened.

An encouraging development was that, from March 1969, trading banks were permitted to issue certificates of deposit, which have been issued since in several forms. They materially supplement bank term deposits by competing more effectively for funds in the money markets. We welcome this development, enabling banks to be more competitive, and we shall endeavour to explore any further opportunities available to us to augment our funds by more active promotion of bank deposits in the forms permitted to us. The success of this innovation depends, to a large extent, on the interest rates which banks are permitted to offer in competition with rates available on government securities.

The Outlook

Australia enters the 1970s in a very prosperous state domestically, and with strong overseas reserves, although difficulty in marketing wheat is one reason why they may suffer a decline in the current period. Unemployment is at a practical minimum, near 1 per cent of the workforce. For about two years the economy has been absorbing a very high flow of migrants, a large proportion of whom are of working age.

Today, there is virtually no reserve of unemployed labour, although there are continued prospects of a heavy migrant inflow and a further rise in the proportions of females and "retired" people at work, as well as the continued flow of school leavers.

During 1968–69 consumer prices in Australia increased by about 3 per cent and in the subsequent September quarter by another 0.6 per cent. At present average wages are rising by about 8 per cent annually, indicating some signs of strain, especially in the labour market. However there was, and still is, no immediate threat of serious inflation.

Gross National Product is therefore expected to rise by about 10 per cent in the fiscal year to June next, of which about 3.5 per cent will probably be accounted for by price increase. Real rate of growth is therefore very rapid, and implies full employment of resources and continued pressure on supplies of capital, both within the banks and elsewhere.

Although inflation is not yet a problem, latest statistics indicate that pressures of demand could exceed available supplies in the near future. In particular, expansion continues in the investment sector (including construction for mining); building activity is still rising; and private consumption (as indicated by retail sales and other evidence) is likely to rise faster than last year. The level of prices is thus being watched anxiously to see whether current policies keep inflationary tendencies in check, while activity remains at a high level.

The Economic Scene—New Zealand

During 1968–69 New Zealand's balance of payments on current account improved—principally because of a substantial increase in export receipts and, to a lesser extent, because of a restrictive import policy and the stabilising of a previously downward trend in the terms of trade.

Increased wool earnings, resulting from improved prices and a higher volume of exports, coupled with record receipts from meat, contributed significantly to greater export income. A spectacular rise in the export of manufactured products also supported New Zealand's buoyant external position. A continual increase of manufactured exports is vital in enabling the country to expand and diversify its range of export products and markets.

The improved balance of payments, coinciding with a general uplift in wages and increased business confidence and investment, induced greater internal activity. Rising domestic expenditure and increasing demand were evident, and some pressure on resources developed in the latter part of the

Statement by the Chairman/continued

year, although the impact on overseas reserves was less than expected. The more healthy balance of payments is a major achievement and, as a result, New Zealand is much better placed to overcome the overseas marketing problems which dominate the future of the economy.

Monetary Policy

The first results from the long-awaited official review of monetary policy were announced by the Government in the 1969 budget. The overall aim is to correct some of the deficiencies of monetary policy, and to prepare for more efficient financing of economic growth.

In pursuance of these objectives, the trading banks are permitted to invest in Treasury Bills and a wider range of other government paper, and may therefore assume greater responsibility in managing their own liquidity, with less seasonal reliance on State support.

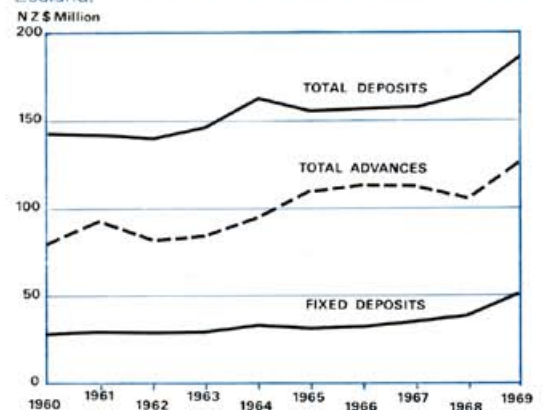
The removal of capital issues controls over finance companies, coupled with the requirement to hold a minimum ratio of assets in government stock, should constitute an equitable and more effective instrument of monetary policy. The minimum government stock ratio has initially been set at 10 per cent, but will need to be varied in accordance with the desirability of expanding credit, particularly in the private sector.

After prolonged and increasingly restrictive controls on their activities, the banks welcome the limited degree of flexibility provided, especially the positive and more competitive environment for gathering term deposits. However the 1969 budget proposals only go part of the way towards a more flexible and practicable armoury of monetary controls. The Bank fully supports the budget statement of the Minister of Finance that: "there are elements in the monetary system which reduce the effectiveness of monetary policy and encourage the flow of funds through expensive and inefficient channels".

Prolonged official credit restraints on lending to other than priority borrowers, have distorted the structure of bank business. The strengthening of the economy provides the opportunity to correct this imbalance. It is our belief that the improvement in the banking system's ability to compete for investment funds should be matched by the ability to compete actively with other lenders to supply the reasonable and

genuine financial needs of all sections of the community.

A.N.Z. Trading Bank — Deposits and Advances in New Zealand.



The Outlook

The National Development Conference in May 1969, recommended a real average annual growth rate target of 4.5 per cent for New Zealand over the next decade. This compares with an estimated growth of about 2 per cent in 1968-69.

Achievement of the target depends heavily on increased export income and will obviously be influenced by factors outside the direct control of New Zealand. Nevertheless the Conference produced a significant series of guidelines for the administration of the economy and, equally important, provided a framework for informed and constructive debate.

A.N.Z. Banking Group's Prospects

This review of recent events and of the outlook for the two merging banks shows that the new A.N.Z. Banking Group commences operations at a propitious time. Australia is experiencing high prosperity and her internal economy is becoming more broadly based, while her exports are becoming more diversified in terms of both markets and products. New Zealand too is diversifying her exports and achieving considerable success in a deliberate policy of expanding her manufacturing, including the export of manufactures. Incomes and trade in many of the neighbouring countries of the Pacific are also growing apace and despite the continuing impact of rising operating costs your bank with its resources can look forward to the future with confidence.



**Australia and New Zealand Banking Group Limited
and its subsidiaries**

Consolidated Profit and Loss Account

for the period ended 30 September 1969

	1969	
	£'000	\$ A'000
Consolidated Profit:		
After charging all expenses, providing for taxation on profits and making transfers to reserves and provision for contingencies out of which accounts provision has been made for any diminution in the value of assets	6,918	14,884
The profit includes a full year's profit of Australia and New Zealand Bank Limited and its subsidiaries and 15 months' profit of The English, Scottish and Australian Bank, Limited and its subsidiaries. (The 12 months' figure for 1968 for the two Banks was £6,336,000 equals \$A13,705,000.)		
Balances brought forward by subsidiaries	3,514	7,560
	10,432	22,444
Deduct:		
Transfers by subsidiaries to published reserves	3,039	6,537
Interim dividends paid to former members of Australia and New Zealand Bank Limited and The English, Scottish and Australian Bank, Limited	1,208	2,598
Proposed final dividend payable by Australia and New Zealand Banking Group Limited on 22nd January, 1970	1,847	3,975
Balances carried forward	4,338	9,334

Coffee picking at a plantation in the Goroka region of New Guinea. Earnings from exports of coffee are of prime importance to the economy of The Territory of Papua and New Guinea and in the year to 1969 amounted to some \$A15.5m, or approximately 20 per cent of total export earnings.

The notes appearing on pages 23 to 25 are an integral part of these accounts.

Australia and New Zealand Banking Group Limited
and its subsidiaries

Consolidated Balance Sheet

30 September 1969

1968 (see note 3)			1969	
\$A'000	£'000		£'000	\$A'000
		Authorised Capital:		
		35,000,000 shares of £1 each	35,000	75,299
		Issued Capital:		
113,999	52,988	32,130,000 shares of £1 each, fully paid	32,130	69,124
		Reserve Funds see note 2	20,383	43,852
		Balance of Consolidated Profit and Loss Account	4,338	9,334
113,999	52,988		56,851	122,310
		Borrowings by Subsidiaries:		
82,738	38,458	Debenture Stock 1969/79 (Secured)	45,705	98,330
35,352	16,432	Unsecured Notes 1969/79 and Loan Deposits	17,878	38,462
555	258	Mortgage Loan	246	529
3,403	1,582	Proposed Final Dividend	1,847	3,975
		Deposits, Current Accounts, Bills Payable and Other Accounts (including re-financed loans, contingencies reserves and taxation on profits to date)	1,241,527	2,671,020
2,355,312	1,094,781	Balances due to Other Banks	88,131	189,606
154,956	72,026			
2,746,315	1,276,525		1,452,185	3,124,232
		Acceptances, Endorsements, Confirmed Credits, Guarantees and other Engagements on behalf of customers and others	127,069	273,376
233,396	108,486			
		Carrington } Hampden } Directors R. E. B. Lloyd }		
		S. Cumberland Group Accountant		
2,979,711	1,385,011		1,579,254	3,397,608

The notes appearing on pages 23 to 25 are an integral part of these accounts.

Consolidated Balance Sheet

1968 (see note 3)			1969	
SA'000	£'000		£'000	\$A'000
107,135	49,798	Coin, Bullion, Notes and Cash at Bankers	60,370	129,879
		Deposits with Other Banks and Financial Institutions		
129,453	60,171	and cheques in course of collection	75,651	162,756
47,291	21,982	Money at Call and Short Notice	33,839	72,800
20,266	9,420	Treasury Notes and Treasury Bills	9,142	19,667
		Statutory Deposits:		
99,745	46,363	With Reserve Bank of Australia	60,795	130,794
1,396	649	With Reserve Bank of New Zealand	4,777	10,277
24,683	11,473	Loan Fund Accounts with Reserve Bank of Australia	6,308	13,572
		Investments:		
474,102	220,369	Quoted see notes 7 and 10	231,175	497,351
190,834	88,702	Unquoted at or under cost	102,054	219,559
262,122	121,838	Bills Receivable and Remittances in Transit	118,716	255,407
		Loans and Advances to Customers and Other Accounts		
1,202,760	559,059	(less provision for doubtful debts)	644,686	1,386,978
		Balances outstanding under Hire Purchase and other contracts entered into by a subsidiary after deducting charges yet to mature £11,156,000 (1968 £9,514,000) and after writing off or providing for bad and doubtful debts	71,388	153,584
2,690,955	1,250,793		1,418,901	3,052,624
		Trade Investments at cost:		
6,679	3,104	Quoted	3,104	6,679
3,376	1,570	Market value £7,129,000 (1968 £6,172,000)	2,169	4,667
45,305	21,058	Unquoted	28,011	60,262
		Bank Premises, Sites, Furniture and Equipment, at cost, less amounts written off		
2,746,315	1,276,525		1,452,185	3,124,232
		Liabilities of Customers and Others for acceptances, endorsements, confirmed credits, guarantees and other engagements	127,069	273,376
233,396	108,486			
2,979,711	1,385,011		1,579,254	3,397,608

Australia and New Zealand Banking Group Limited

Balance Sheet

30 September 1969

	1969	
	£'000	SA'000
Authorised Capital:		
35,000,000 shares of £1 each	35,000	75,299
Issued Capital:		
32,130,000 shares of £1 each, fully paid	32,130	69,124
Balance of Profit and Loss Account	11	23
Proposed Final Dividend payable on 22nd January, 1970	1,847	3,975
	<u>33,988</u>	<u>73,122</u>
Shares in Subsidiary Companies see note 2	32,130	69,124
Amounts due from Subsidiary Companies	1,430	3,076
Other Accounts	428	922
	<u>33,988</u>	<u>73,122</u>

Carrington
Hampden
R. E. B. Lloyd } Directors

S. Cumberland Group Accountant

The notes appearing on pages 23 to 25 are an integral part of these accounts.

Notes on the Accounts

1. By means of a Scheme of Arrangement under section 206 of the Companies Act 1948, the merger was effected of Australia and New Zealand Bank Limited and The English, Scottish and Australian Bank, Limited. Under this scheme, which became effective on 23rd June, 1969, the Company acquired in exchange for shares all the issued share capital of those two banks.

2. The shares issued by the Company as consideration for the acquisition of Australia and New Zealand Bank Limited and The English, Scottish and Australian Bank, Limited have been treated as having been issued at their nominal value of £32,130,000. The excess amounting to £8,330,000 of such capital over the combined issued capital of the two banks has been deducted from the aggregate reserves of the subsidiary companies in the consolidated balance sheet.

3. The comparative figures for 1968 shown in the consolidated balance sheet consist of a notional consolidation of the Consolidated Balance Sheets of Australia and New Zealand Bank Limited and its subsidiary companies at 30th September, 1968, and The English, Scottish and Australian Bank, Limited and its subsidiary companies at 30th June, 1968.

4. The accounts are shown in sterling. For information only, Australian currency amounts are also shown and these represent conversions of the sterling amounts at the exchange rate ruling at the respective Balance Sheet dates.

5. Assets and liabilities in currencies other than sterling have been converted to sterling at the exchange rates ruling at the date of the Balance Sheet.

6. In the accounts of Australia and New Zealand Bank Limited, the following changes have been made during the year in the bases of accounting. Remittances in transit are now shown net after deducting drafts in transit; furniture and equipment has been capitalised in the accounts and an appropriate provision made for depreciation thereon; investment income for the year to 30th September, 1969, has been brought into the accounts on an accrual basis. There have been consequential adjustments to the comparative figures for 1968 in respect of these changes with the exception of furniture and equipment.

7. Quoted investments (excluding trade investments) held by the Company and by its subsidiaries are, in the main, redeemable at fixed dates within ten years and are stated in the Balance Sheets at book amounts which are at or under cost and in the aggregate below redemption value.

The book amounts and valuations at middle market prices of these investments are given in Notes 8, 9 and 10.

As redeemable investments are normally held to or near maturity, no provision is considered necessary for any difference between the book amounts and the market values of such individual stocks quoted below book amounts at the balance date, neither have any transfers been made from reserves or out of the current year's profits to write them down, apart from the normal amortisation of the premium on stocks bought above par.

Notes on the Accounts/continued

8. Quoted investments (excluding trade investments) in the Balance Sheet of Australia and New Zealand Bank Limited comprise:

	1969	1968
	£'000	£'000
Quoted in Great Britain:		
British Government securities	4,848	4,864
Other securities	2,932	2,639
Quoted outside Great Britain:		
Australian and New Zealand Government securities	73,199	70,238
Other Australian and New Zealand securities	13	34
Market value £79,775,000 (1968 £77,845,000)	<u>80,992</u>	<u>77,775</u>

9. Quoted investments (excluding trade investments) in the Balance Sheet of The English, Scottish and Australian Bank, Limited comprise:

	1969	1968
	£'000	£'000
Quoted in Great Britain:		
British Government securities	493	493
Other securities	269	269
Quoted outside Great Britain:		
Australian Government securities	39,627	32,615
Other Australian securities	—	187
Market value £39,936,000 (1968 £33,578,000)	<u>40,389</u>	<u>33,564</u>

10. Quoted investments (excluding trade investments) in the Consolidated Balance Sheet of Australia and New Zealand Banking Group Limited comprise:

	1969	1968
	£'000	£'000
Quoted in Great Britain:		
British Government securities	5,341	5,357
Other securities	3,201	2,908
Quoted outside Great Britain:		
Australian and New Zealand Government securities	215,650	203,676
Other Australian and New Zealand securities	6,983	8,428
Market value £226,890,000 (1968 £219,945,000)	<u>231,175</u>	<u>220,369</u>

Of the above total, £109,794,000 (1968 £109,030,000) is shown in the accounts of the subsidiaries of Australia and New Zealand Bank Limited and The English, Scottish and Australian Bank, Limited.

11. There are forward exchange contracts for the sale of currencies which are covered to a corresponding amount by forward purchases, by arrangements with central banks or by holdings of foreign currencies as follows:

A.N.Z. Bank	E.S. & A. Bank
£'000	£'000
299,867 (1968 249,318)	33,958 (1968 20,732)

Notes on the Accounts/continued

	A.N.Z. Bank £'000	E.S. & A. Bank £'000
12. Capital commitments:		
Contracted	2,745	3,428
Sanctioned but not contracted	1,533	989

These amounts represent consolidated figures for the two principal subsidiaries.

13. Provision has been made in the consolidated accounts for auditors' remuneration of £32,211 (1968 £22,865), of which £1,000 relates to the Company.

14. The emoluments of the Directors of Australia and New Zealand Banking Group Limited (including emoluments paid by Australia and New Zealand Bank Limited and The English, Scottish and Australian Bank, Limited) were as follows:

	1969	1968
Directors' Fees	£33,741	£30,500
Other remuneration (including provision for future pensions)	£28,324	£22,795
	<u>£62,065</u>	<u>£53,295</u>

Included in the above figures are the emoluments of the Chairman (excluding provision for future pension) £8,500 £8,500
The total emoluments (excluding provision for future pensions) of the other Directors (excluding Australian resident Directors) are analysed below to show the number of Directors in each category:

	1969	1968
Up to £2,500	14	16
from £2,501 to £5,000	4	2
from £5,001 to £7,500	—	—
from £7,501 to £10,000	—	1
from £10,001 to £12,500 (actual emoluments £10,712)	1	—

15. One United Kingdom employee (1968 none) of a subsidiary company received emoluments between £10,000 and £12,500.

16. Profit dealt with in the accounts of Australia and New Zealand Banking Group Limited amounted to £1,858,000.

17. There are liabilities in respect of uncalled capital on trade investments for Australia and New Zealand Bank Limited and its subsidiaries of £495,000 and a commitment to provide £121,000 on loan to an associated company.

18. Provision has been made for taxation in respect of all profits to 30th September, 1969, taking account of United Kingdom corporation tax at the appropriate rate.

19. Australia and New Zealand Bank Limited has guaranteed the depositors' balances with Australia and New Zealand Savings Bank Limited and with A.N.Z. Savings Bank (New Zealand) Limited.

20. The English, Scottish and Australian Bank, Limited has guaranteed the depositors' balances with E.S. & A. Savings Bank Limited.

Report of the Auditors

To the members of Australia and New Zealand Banking Group Limited

We have examined the annexed consolidated profit and loss account and consolidated balance sheet and balance sheet set out on pages 19 to 22. The accounts of the subsidiary companies have been audited by other firms of accountants.

In our opinion the balance sheet and the consolidated accounts, together with the notes thereon, comply with the Companies Acts 1948 to 1967 in the manner authorised for a banking company.

Peat, Marwick, Mitchell & Co.,
Chartered Accountants.
London.
2nd December, 1969.

The Whakamaru Hydro Power Station on Waikato River in Auckland Province. This is one of a series of power stations on the river providing energy for the National Grid system which supplies consumer and industrial needs.



Australia and New Zealand Bank Limited

Balance Sheet

30 September 1969

1968			1969	
SA'000	£'000		£'000	SA'000
48,407	22,500	Authorised Capital: 22,500,000 shares of £1 each	22,500	48,407
33,132	15,400	Issued Capital: 15,400,000 shares of £1 each, fully paid	15,400	33,132
6,314	2,935	Share Premium Account	2,935	6,314
21,514	10,000	Reserve Fund	11,000	23,665
4,691	2,180	Profit and Loss Account Balance	2,799	6,022
65,651	30,515		32,134	69,133
2,319	1,078	Proposed Final Dividend (1969 dividend paid as 2nd interim)	—	—
1,181,866	549,348	Deposits, Current Accounts, Bills Payable and Other Accounts (including re-financed loans, contingencies reserves and taxation on profits to date)	619,861	1,333,570
133,923	62,249	Balances Due to Other Banks	84,271	181,302
—	—	Amount Due to Holding Company	611	1,314
11,746	5,460	Amounts Due to Subsidiaries	4,358	9,375
1,395,505	648,650		741,235	1,594,694
157,326	73,127	Acceptances, Endorsements, Confirmed Credits, Guarantees and Other Engagements on behalf of customers and others	85,522	183,991
		Carrington Hampden G. C. Gibbs } Directors		
		L. R. H. Macro Comptroller		
1,552,831	721,777		826,757	1,778,685

Profit and Loss Account

for year ended 30 September 1969

1968			1969	
SA'000	£'000		£'000	SA'000
3,765	1,750	Transfer to Reserve Fund	1,000	2,151
3,976	1,848	1st Interim dividend paid 15.7.69	809	1,740
		2nd Interim dividend paid 23.9.69	1,039	2,236
4,691	2,180	Balance carried forward	2,799	6,022
12,432	5,778		5,647	12,149

Certain of the notes appearing on pages 23 to 25 refer to these accounts.

Balance Sheet

1968			1969	
\$A'000	£'000		£'000	\$A'000
33,845	15,732	Coin, Bullion, Notes and Cash at Bankers	20,918	45,002
		Deposits with Other Banks and Financial Institutions		
110,171	51,209	and cheques in course of collection	66,858	143,838
24,306	11,298	Money at Call and Short Notice	14,588	31,385
14,481	6,731	Treasury Notes and Treasury Bills	4,078	8,773
		Statutory Deposits:		
63,851	29,679	With Reserve Bank of Australia	39,217	84,372
1,396	649	With Reserve Bank of New Zealand	4,777	10,277
14,113	6,560	Loan Fund Accounts with Reserve Bank of Australia	3,264	7,022
		Investments:		
167,325	77,775	Quoted see notes 7 and 8	80,992	174,247
2,869	1,333	Unquoted at or under cost	1,409	3,031
190,588	88,588	Bills Receivable and Remittances in Transit	83,901	180,504
		Loans and Advances to Customers and Other Accounts		
730,222	339,417	(less provision for doubtful debts)	396,330	852,665
1 353,167	628,971		716,332	1,541,116
916	426	Trade Investments unquoted at cost	426	916
		Investments in Subsidiaries:		
5,550	2,580	Shares at cost	2,580	5,550
9,056	4,209	Loan	4,801	10,331
26,816	12,464	Bank Premises, Sites, Furniture and Equipment, at cost, less amounts written off	17,096	36,781
1,395,505	648,650		741,235	1,594,694
		Liabilities of Customers and Others for acceptances, endorsements, confirmed credits, guarantees and other engagements		
157,326	73,127		85,522	183,991
1,552,831	721,777		826,757	1,778,685

Profit and Loss Account

1968			1969	
\$A'000	£'000		£'000	\$A'000
8,052	3,742	Profit after charging all expenses, providing for taxation on profits and making transfers to reserves and provision for contingencies out of which accounts provision has been made for any diminution in the value of assets	3,467	7,458
4,380	2,036	Balance brought forward	2,180	4,691
12,432	5,778		5,647	12,149

The English, Scottish and Australian Bank, Limited

Balance Sheet

30 September 1969

30th June 1968			1969	
\$A'000	£'000		£'000	\$A'000
25,817	12,000	Authorised Capital: 12,000,000 shares of £1 each	12,000	25,817
18,072	8,400	Issued Capital: 8,400,000 shares of £1 each, fully paid	8,400	18,072
11,295	5,250	Reserve Fund	5,250	11,295
784	365	Profit and Loss Account Balance	758	1,630
30,151	14,015		14,408	30,997
1,084	504	Proposed Final Dividend (1969 dividend paid as 2nd interim)	—	—
501,226	232,977	Deposits, Current Accounts, Bills Payable and Other Accounts (including re-financed loans, contingencies reserves and taxation on profits to date)	269,357	579,494
21,033	9,776	Balances Due to Other Banks	6,291	13,534
—	—	Amount Due to Holding Company	819	1,762
2,483	1,154	Amounts Due to Subsidiaries	1,208	2,600
555,977	258,426		292,083	628,387
81,142	37,716	Acceptances, Endorsements, Confirmed Credits, Guarantees and Other Engagements on behalf of customers and others	43,833	94,303
		Hampden Carrington Remnant		
		S. W. Whitmarsh		
		Directors		
		Head Office Accountant		
637,119	296,142		335,916	722,690

Profit and Loss Account

for the 15 months ended 30 September 1969

1968 (12 months)			1969	
\$A'000	£'000		£'000	\$A'000
2,151	1,000	Transfer to Reserve Fund	—	—
—	—	Special interim dividend for 3 months' period to 30.9.68 paid 15.7.69	210	452
1,807	840	1st Interim dividend for year to 30.9.69 paid 15.7.69	189	406
784	365	2nd Interim dividend for year to 30.9.69 paid 23.9.69	819	1,762
		Balance carried forward	758	1,630
4,742	2,205		1,976	4,250

Certain of the notes appearing on pages 23 to 25 refer to these accounts.

Balance Sheet

30th June 1968			1969	
\$A'000	£'000		£'000	\$A'000
17,860	8,302	Coin, Bullion, Notes and Cash at Bankers	10,977	23,615
19,282	8,962	Deposits with Other Banks and Financial Institutions and cheques in course of collection	11,224	24,148
14,195	6,598	Money at Call and Short Notice	12,173	26,190
2,990	1,390	Treasury Notes and Treasury Bills	3,258	7,010
		Statutory Deposit:		
35,894	16,684	With Reserve Bank of Australia	21,578	46,422
10,570	4,913	Loan Fund Accounts with Reserve Bank of Australia	3,044	6,550
		Investments:		
72,209	33,564	Quoted see notes 7 and 9	40,389	86,892
71,534	33,250	Bills Receivable and Remittances in Transit	34,816	74,903
290,022	134,806	Loans and Advances to Customers and Other Accounts (less provision for doubtful debts)	144,253	310,346
534,556	248,469		281,712	606,076
533	248	Trade Investments unquoted at cost	248	533
		Investments in Subsidiaries:		
8,532	3,966	Shares at cost	3,966	8,532
12,356	5,743	Bank Premises, Sites, Furniture and Equipment, at cost, less amounts written off	6,157	13,246
555,977	258,426		292,083	628,387
		Liabilities of Customers and Others for acceptances, endorsements, confirmed credits, guarantees and other engagements	43,833	94,303
81,142	37,716			
637,119	296,142		335,916	722,690

Profit and Loss Account

1968 (12 months)			1969	
\$A'000	£'000		£'000	\$A'000
2,631	1,223	Profit for the 15 months ended 30.9.69 after charging all expenses, providing for taxation on profits and making transfers to reserves and provision for contingencies out of which accounts provision has been made for any diminution in the value of assets	1,611	3,466
2,111	982	Balance brought forward	365	784
4,742	2,205		1,976	4,250

Australia and New Zealand Savings Bank Limited

(Deposits guaranteed by Australia and New Zealand Bank Limited)

Board of Directors: C. H. Rennie (Chairman), Lord Carrington, R. E. B. Lloyd, J. C. Macvean, D. H. Merry, W. H. Simon (General Manager)

Balance Sheet

30 September 1969

1968 SA'000	1969 SA'000	1968 SA'000	1969 SA'000
14,000	14,000	8,318	5,428
Authorised Capital:		Balances with Banks:	
14,000,000 shares of \$A1 each		42,480	Australia and New Zealand Bank Limited 5,428
			Reserve Bank of Australia 44,220
Issued Capital:		7,250	Money at Call and Short Notice 12,300
5,000	5,000	— Treasury Notes 2,600	
5,250	5,950	Investments:	
721	754	Quoted investments at or under cost:	
		see note 7	
10,971	11,704	134,344	Australian Government securities 131,666
Depositors' Balances and Other Accounts,		7,183	Other Australian securities 5,850
including provision for accrued interest, taxation and		Market Value \$A133,559,000 (1968 \$A141,003,000)	
438,674	481,830	Unquoted Australian and Fijian investments at or	
reserve for contingencies		under cost:	
		121,008	Loans to Authorities constituted by or under
		Government Acts 134,903	
		4,562	Other Australian and Fijian securities 5,030
		Investments in Subsidiary:	
		1,000	Shares at cost 1,000
		250	Loan 2,750
		Loans and Other Accounts, including accrued	
		123,250	interest (less provision for doubtful debts) 147,787
449,645	493,534	449,645	493,534

C. H. Rennie }
W. H. Simon } Directors
D. H. Merry }
D. Nicolson Joint Secretary

Profit and Loss Account

for the year ended 30 September 1969

1968 SA'000	1969 SA'000	1968 SA'000	1969 SA'000
650	700	Profit, including income from investments, after	
600	600	charging all expenses, providing for taxation on	
721	754	1,368	profits earned to date and making transfers to
		reserves and provision for contingencies see note 7 1,333	
		603	Balance brought forward 721
1,971	2,054	1,971	2,054

Certain of the notes appearing on pages 23 to 25 refer to these accounts.

E. S. & A. Savings Bank Limited

(Deposits guaranteed by The English, Scottish and Australian Bank, Limited)

Board of Directors: H. McE. Scambler (Chairman and General Manager), J. Jennings, P. B. Sinnott, K. H. C. Swan

Balance Sheet

30 September 1969

30th June 1968 \$A'000	1969 \$A'000	30th June 1968 \$A'000	1969 \$A'000
4,000	4,000	15	17
Authorised Capital:		Notes and Coin	
4,000,000 shares of \$A1 each	4,000		
		Balances with Banks:	
2,000	2,000	2,079 The English, Scottish and Australian Bank, Limited	3,097
Issued Capital:		12,935 Reserve Bank of Australia	17,025
2,000,000 shares of \$A1 each, fully paid	2,000	1,540 Money at Call and Short Notice	2,050
1,850	2,350	2,795 Treasury Notes	1,285
Reserve Fund		Investments:	
91	82	Quoted investments at or under cost:	
Profit and Loss Account Balance		see note 7	
		45,716 Australian Government securities	48,291
3,941	4,432	10,322 Other Australian securities	9,005
Depositors' Balances and Other Accounts,		Market Value \$A8,591,000 (1968 \$A10,158,000)	
including provision for accrued interest, taxation		Unquoted Australian Investments at or under cost:	
and reserve for contingencies		Loans to Authorities constituted by or under	
160,651	189,512	Government Acts	49,939
		39,358	48,075
H. McE. Scambler } Directors		Loans and Other Accounts, including accrued	61,188
J. Jennings } interest (less provision for doubtful debts)		1,757	2,047
N. A. Edwards } Secretary		Bank Premises and Sites, at cost, less amounts	
		written off	
164,592	193,944	164,592	193,944

Profit and Loss Account

for the 15 months ended 30 September 1969

1968 (12 m'ths) \$A'000	1969 \$A'000	1968 (12 m'ths) \$A'000	1969 \$A'000
350	500		
200	300		
91	82	584	791
Transfer to Reserve Fund		57	91
Dividend paid 30 September, 1969			
Balance carried forward			
641	882	641	882

Certain of the notes appearing on pages 23 to 25 refer to these accounts.

Esanda Limited

Board of Directors: H. McE. Scambler (Chairman), J. Jennings, G. W. Kimber (Chief Manager), K. H. C. Swan

Summary of the Audited Balance Sheet

30 September 1969

30th June 1968 SA'000		1969 SA'000	30th June 1968 SA'000		1969 SA'000
	Authorised Capital:			Current Assets:	
10,000	10,000,000 Ordinary Shares of SA1 each	10,000		Cash at The English, Scottish and Australian Bank, Limited	392
	Issued Capital:		710	Commonwealth Loans, at lower of cost or market value	—
7,500	7,500,000 Ordinary Shares of SA1 each, fully paid	7,500	1,643	— Money at Call	875
8	Capital Reserve	11	4,736	Advances, plus accrued interest	5,078
8,000	General Reserve	11,000		Amounts due and to mature under hire purchase, instalment loans and other contracts after writing off or providing for bad and doubtful debts. Less: Charges yet to mature SA24,002,000 (1968 SA20,469,000)	153,584
1,243	Unappropriated Profits	761	131,168		
16,751		19,272	138,257		159,929
	Secured Borrowings:			Investment:	
82,738	Debenture Stock (Maturing within one year SA11,007,000 (1968 SA11,859,000))	98,330	72	Shares in a company listed on a prescribed Stock Exchange, at cost (Market Value SA180,000 (1968 SA119,000))	72
	Unsecured Borrowings:			Fixed Assets:	
35,451	Unsecured Notes and Term Deposits (Maturing within one year SA8,426,000 (1968 SA7,760,000))	38,544	2,340	Freehold land and buildings, at cost	2,951
134,940		156,146			
	Current Liabilities:				
5,729	Sundry Creditors, Interest accrued, Deposits and Australian Income Tax provisions	6,806			
140,669		162,952	140,669		162,952

Disposition of Profit

for the 15 months ended 30 September 1969

1968 (12 m'ths) SA'000		1969 SA'000	1968 (12 m'ths) SA'000		1969 SA'000
900	Dividend	1,400		Balance of Unappropriated Profits brought forward from previous year	1,243
1,500	Transfer to General Reserve	3,000	1,105	Over-provision for Australian tax in prior year	14
—	Additional Provision for Tax	111	54	Net Profit for 15 months after provision for Australian tax	4,015
1,243	Balance of Unappropriated Profits carried forward	761	2,484		
3,643		5,272	3,643		5,272

Certain of the notes appearing on pages 23 to 25 refer to these accounts.

Analysis of Shareholdings

30 September 1969

Holding of:	Accounts		Shares	
	No.	%	No.	%
Up to 500	16,502	57.7	4,196,294	13.1
501 to 1,000	6,992	24.5	4,850,811	15.1
1,001 to 5,000	4,558	16.0	8,021,929	25.0
5,001 to 10,000	265	0.9	1,806,130	5.6
Over 10,000	265	0.9	13,254,836	41.2
Totals	28,582	100.0	32,130,000	100.0

Held by:				
Nominee, Investment and Trustee Companies	1,252	4.4	8,279,460	25.8
Insurance Companies	173	0.6	4,039,008	12.6
Individuals and others	27,157	95.0	19,811,532	61.6
Totals	28,582	100.0	32,130,000	100.0

Directors' Shareholdings

The Directors' interests in the capital of the Company as shown in the register maintained in accordance with section 29 of the Companies Act, 1967, were as follows:

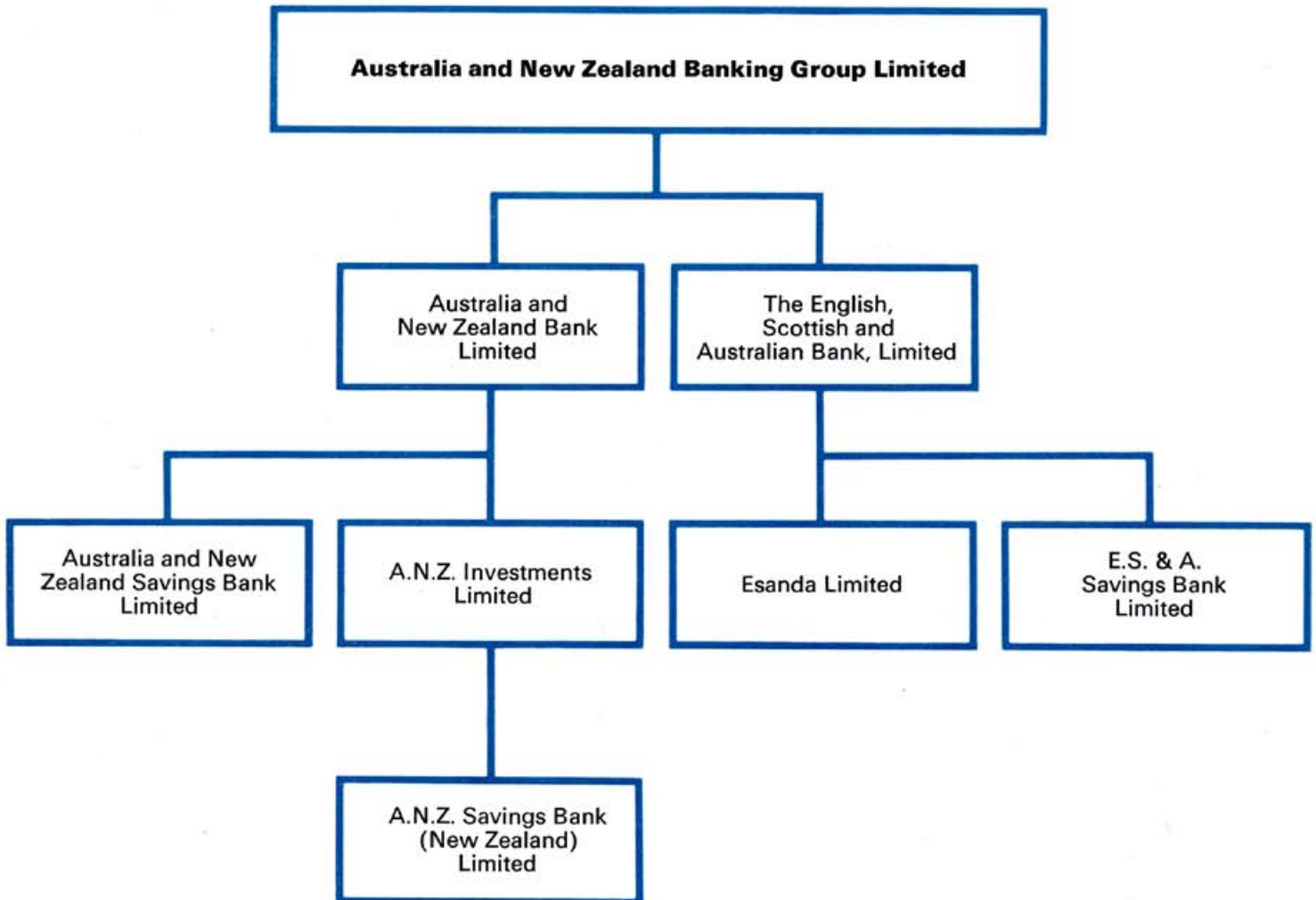
	Beneficially Owned		Otherwise Held	
	As at 30th September, 1969	As at 23rd June, 1969	As at 30th September, 1969	As at 23rd June, 1969
Lord Carrington	337	337	—	—
Viscount Hampden	2,835	2,835	—	—
R. E. B. Lloyd	250	500	4,589	4,589
Sir Colin S. Anderson	2,443	2,443	—	—
Sir Donald F. Anderson	1,374	1,374	—	—
The Hon. E. L. Baillieu	405	405	4,495	4,495
Viscount Bridgeman	1,618	1,618	4,455	4,455
C. A. W. Dawes	567	567	—	—
Sir Geoffrey C. Gibbs	1,954	1,954	2,878	2,878
Angus Mackinnon	2,015	2,015	5,400	5,400
A. D. Marris	567	567	—	—
Colonel A. T. Maxwell	—	—	4,560	4,560
P. E. Nesbitt	471	471	—	—
Lord Remnant	405	405	—	—
C. H. Rennie	250*	—	—	—
R. T. Renton	405	405	—	—
D. J. Robarts	1,611	1,611	—	—
Alexander Ross	337	337	—	—
H. McE. Scambler	300*	—	—	—
R. H. Senior	1,954	1,954	5,351	5,351
R. C. Wheeler-Bennett	1,432	1,432	4,050	4,050
Totals	21,530	21,230	35,778	35,778

* Purchased in July, 1969, upon appointment as a Director.

The combined interests of all the Directors and their families at 30th September, 1969, in respect of either share capital of the Company or voting control did not in the aggregate exceed 5 per cent. So far as is known no shareholder, either corporate or individual, had at that date any beneficial interest exceeding 10 per cent of the share capital of the Company.

Group Structure

The main structure of the Group, showing the principal subsidiary companies, all of which are wholly-owned, is as set out below.



A detailed analysis of the Group is shown on pages 38 and 39 and a list of Group services is set out on page 44.

Australia and New Zealand Banking Group Limited

Incorporated in England.

Head Office: 71 Cornhill, London, E.C.3.

Issued Capital 32,130,000 shares of £1 each

Subsidiary Companies and Group Interests

	Incorporated in :	Issued Capital :	Group Interest :
Wholly Owned Subsidiaries			
Australia and New Zealand Bank Limited	England	15,400,000 shares of £1	100%
The English, Scottish and Australian Bank, Limited	England	8,400,000 shares of £1	100%
A.N.Z. Custodians Limited	Australia	7 shares of \$A1	100%
A.N.Z. Discounts Limited	Australia	5 shares of \$A2	100%
A.N.Z. Investments Limited	England	100 shares of £1	100%
A.N.Z. Nominees Limited	England	1,000 shares of £1	100%
A.N.Z. Pensions Limited	England	250,000 shares of £1	100%
A.N.Z. Pensions (Overseas) Pty. Limited	Australia	5 shares of \$A2	100%
A.N.Z. Properties (Australia) Limited	Australia	1,000,000 shares of \$A1	100%
Australia and New Zealand Savings Bank Limited	England	5,000,000 shares of \$A1	100%
A.N.Z. Savings Bank (New Zealand) Limited	New Zealand	250,000 shares of NZ\$2	100%
A.N.Z. Services Limited	Australia	5,000 shares of \$A2	100%
Britannia Investment Company Pty. Limited	Australia	82,000 shares of \$A1	100%
E.S. & A. Holdings Limited	England	125,000 shares of £1	100%
E.S. & A. Managed Investments Limited	Australia	209,010 shares of \$A1	100%
Esanda Limited	Australia	7,500,000 shares of \$A1	100%
Esanda (Wholesale) Pty. Limited	Australia	50 shares of \$A2	100%
Esanda Nominees Limited	England	100 shares of £1	100%
E.S. & A. Nominees (Australia) Pty. Limited	Australia	50 shares of \$A2	100%
E.S. & A. Savings Bank Limited	Australia	2,000,000 shares of \$A1	100%
E.S. & A. (Security) Pty. Limited	Australia	2 shares of \$A2	100%
Melbourne Safe Deposit Pty. Limited	Australia	29,000 shares of \$A1	100%
Associated Companies			
A.N.Z. Hambros Investment Services Limited	Australia	100,000 shares of \$A1	50%
Australian Banks' Export Re-finance Corporation Limited	Australia	2,000,000 shares of \$A1	13.86%
Australian Resources Development Bank Limited	Australia	3,000 shares of \$A1,000	7.92%
351 Collins Street Limited	Australia	1,170,000 shares of \$A2	12.5%
Databank Systems Limited	New Zealand	200,000 shares of NZ\$1	12.5%
I.A.C. (Holdings) Limited	Australia	46,000,000 Ordinary shares of \$A0.50 cents	50%
		1,000,000 Preference shares of \$A2	20%
Intercontinental Banking Services Limited	England	3,500,000 shares of £1 (10% paid)	21.74%
Malaysia Industrial Finance Corporation Berhad	Malaysia	1,000,000 shares of \$1 Malaysian	Nil
United Dominions Corporation Finance Limited	New Zealand	2,000,000 shares of NZ\$1	14.29%
			25%
			20%
Interests of 10 per cent or under			
A.N.G. Holdings Limited	New Guinea	914,000 shares of \$A1	1.1%
A.N.G. Properties Limited	New Guinea	420,000 shares of \$A1	10%
Australian Interstate Pipeline Company Limited	Australia	26,240 shares of \$A2	10%
Australia New Guinea Corporation Limited	New Guinea	540,000 shares of \$A1	3.7%
			1.85%
Delfin Industrial Finance Limited	Australia	240,000 shares of \$A2	10%
Development Finance Corporation of New Zealand	New Zealand	2,000,000 shares of NZ\$1 (25 cents paid)	6.5%
South East Asia Development Corporation Berhad	Malaysia	3,500,000 shares of \$1 Malaysian	0.857%
Swan Television Limited	Australia	1,600,000 shares of \$A1	4.5%

Held by:

Activities:

A.N.Z. Banking Group	The business of banking and other financial services (see also page 44).
A.N.Z. Banking Group	The business of banking and other financial services (see also page 44).
A.N.Z. Bank	Depository company holding Australian securities for Bearer Depository Receipts which it is hoped will be issued in the U.K. early in 1970.
A.N.Z. Investments	Negotiation of foreign currency loans for Australia.
A.N.Z. Bank	Holding company for shares in subsidiary and associated companies and trade investments.
A.N.Z. Bank	Nominee services.
A.N.Z. Bank	} Management of staff pension funds.
A.N.Z. Pensions	
Australia and New Zealand Savings Bank	Property owner for certain Bank premises in Australia.
A.N.Z. Bank	The business of savings banking and other related financial services in Australia and the Pacific Area.
A.N.Z. Investments	The business of savings banking and other related financial services in New Zealand.
A.N.Z. Bank	Non-operative.
E.S. & A. Bank	Property owner for certain Bank premises in Australia.
E.S. & A. Bank	Property owner for certain Bank premises in London.
Melbourne Safe Deposit	Unit trust management; subsidiaries are incorporated in A.C.T. and each Australian state other than Victoria.
E.S. & A. Bank	} Finance Companies providing hire purchase, lease, instalment and general finance facilities in Australia.
Britannia Investment Co.	
E.S. & A. Bank	Nominee services—United Kingdom.
E.S. & A. Bank	Nominee services—Australia.
E.S. & A. Bank	The business of savings banking and other related financial services in Australia.
E.S. & A. Bank	Trustee company.
E.S. & A. Bank	Holding company for shares in subsidiary and associated companies and trade investments.

A.N.Z. Investments	Investment management company for Australian securities.
A.N.Z. Bank	} Provision of medium and long term finance for Australian capital goods exports.
E.S. & A. Bank	
A.N.Z. Bank	} Provision of medium and long term finance for development of Australia's natural resources.
E.S. & A. Bank	
A.N.Z. Investments	Property owner for 351 Collins Street building.
A.N.Z. Bank	Computer installation jointly owned by trading banks in New Zealand.
A.N.Z. Investments	} The business of hire purchase finance and other related financial services in Australia and Papua and New Guinea.
A.N.Z. Bank	
A.N.Z. Bank	Provision of development and export finance on a consortium basis; advisory services also provided.
A.N.Z. Investments	The business of hire purchase finance in Malaysia.
A.N.Z. Investments	The business of hire purchase finance and other related financial services in New Zealand.

A.N.Z. Investments	A subsidiary investment holding company of A.N.G. Corporation Limited.
A.N.Z. Investments	Property owner for A.N.G. Corporation's building project in Port Moresby.
A.N.Z. Investments	Development and financing of oil and gas pipelines in Australia.
A.N.Z. Investments	} Investment company to assist in the development of Papua and New Guinea.
Melbourne Safe Deposit	
A.N.Z. Investments	Investment company in Australia.
A.N.Z. Investments	Provision of medium and long term development finance; also advisory and technical services.
A.N.Z. Investments	Investment and banking facilities in S.E. Asia.
Esanda	Television company operating in Western Australia.

Australia and New Zealand Banking Group Limited and its subsidiaries

Ten year summary

1960	1961	1962	1963	1964	1965	1966	1967
3,276	3,733	4,310	6,018	6,923	8,266	9,574	11,589
38,152	38,152	40,160	47,690	52,710	56,224	56,224	56,224
69,773	72,189	74,781	94,363	106,161	110,668	113,876	118,858
1,522,523	1,520,957	1,646,723	1,841,960	2,143,271	2,318,586	2,550,132	2,755,105
1,073,688	1,075,444	1,126,284	1,202,993	1,359,179	1,405,342	1,506,444	1,579,568
597,053	598,681	625,086	644,399	704,238	774,527	823,914	937,752
171,898†	182,982‡	245,642	306,752	369,221	411,211	460,583	532,110
29,161†	34,513‡	42,186	58,156	83,266	101,130	116,531	136,793
44,180	48,739	45,765	55,013	62,353	74,566	87,782	91,329
52,121	57,196	55,141	65,406	74,106	88,963	102,941	111,353
A.N.Z. Savings Bank (New Zealand) Limited commenced business on					25,345	41,143	53,111
1st October 1964					1,730	3,677	4,832
1,036	1,068	1,101	1,127	1,162	1,223	1,277	1,280
338	346	354	353	386	398	390	351

Notes

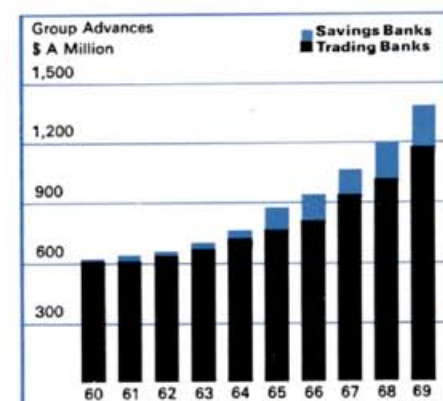
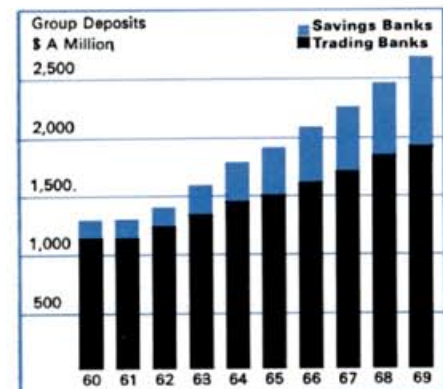
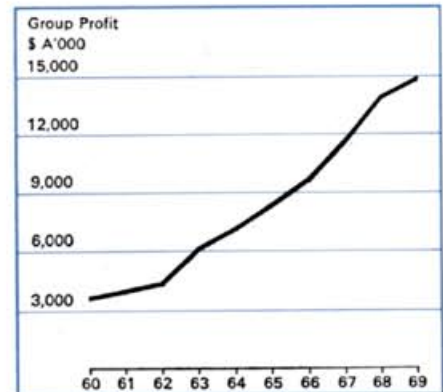
Where applicable the summary comprises the combined figures for Australia and New Zealand Bank Limited and The English, Scottish and Australian Bank, Limited. Prior to 1969 the figures for The English, Scottish and Australian Bank, Limited, were as at 30th June.

(*) Includes 15 months profit for The English, Scottish and Australian Bank, Limited, and subsidiary companies.

(†) These items show decreases on the 1967 figures because of alterations in the exchange rates following devaluation of sterling in November 1967.

(‡) Australia and New Zealand Savings Bank Limited figures only—E.S. & A. Savings Bank Limited commenced business on 29th September, 1961.

1968	1969	
13,705	14,884*	Amounts in \$A'000 Group Net Profit
51,204†	69,124	Paid Up Capital
113,999†	122,310	Shareholders' Funds
2,979,711	3,397,608	Total Group Assets
1,683,092	1,913,064	Trading Bank Deposits
1,020,244	1,163,011	Trading Bank Advances
599,325	671,342	Australian Savings Bank Deposits
171,325	208,975	Australian Savings Bank Advances
118,189	136,874	Esanda—Total Borrowings
140,669	162,952	Esanda—Total Assets
65,821	78,289	Amounts in NZ\$'000 New Zealand Savings Bank Deposits
5,891	8,233	New Zealand Savings Bank Advances
1,294	1,311	Branches and Sub-Branches
336	338	Agencies



Principal Establishments

General Manager's Office

394-396 Collins Street, Melbourne, Victoria

General Manager

C. H. Rennie

Deputy General Manager (Personnel)

R. A. Orpwood

Assistant General Managers

T. F. Downey

J. C. Macvean

D. H. Merry (Chief Economist)

W. H. Simon

Chief Manager International Division

J. H. L. Holberton

Victoria and Tasmania

Chief Manager for Victoria and Tasmania **M. Brunckhorst**, 351 Collins Street, Melbourne

Chief Melbourne Offices 394-396 Collins Street. Manager **R. D. Windust**
Stock Exchange Branch. Manager **E. Arundel**

Chief Hobart Office 40 Elizabeth Street. Manager **E. W. J. Day**

New South Wales

Chief Manager for New South Wales **E. K. Spence**, 2 Martin Place, Sydney

Chief Sydney Offices **Martin Place and George Street**. Manager **F. Hill**
Pitt and Hunter Streets. Manager **L. L. J. Maloney**

International Division Manager **R. B. Horner**

Australian Capital Territory

Chief Canberra Office Alinga Street and Ainslie Avenue, Canberra City.
Manager **R. L. Reid**

Queensland

Chief Manager for Queensland **A. S. Fisher**, 324 Queen Street, Brisbane

Chief Brisbane Office Queen and Creek Streets. Manager **T. B. Adams**

South Australia

Chief Manager for South Australia **V. F. Paul**, 20 Waymouth Street, Adelaide

Chief Adelaide Office King William and Currie Streets. Manager **E. B. Povey**

Northern Territory

Darwin. Manager **D. F. R. Humphries**

Western Australia

Chief Manager for Western Australia **J. C. Shovelton**, 84 St. George's Terrace, Perth

Chief Perth Office 84 St. George's Terrace. Manager **J. D. Milne**

New Zealand

Chief Manager for New Zealand **C. G. Hankin**, 196 Featherston Street, Wellington

Chief Wellington Office Lambton Quay and Featherston Street.

Manager **G. H. Bridge**

Chief Auckland Office Queen and Victoria Streets. Manager **W. E. R. Alexander**

Chief Christchurch Office 85 Hereford Street. Manager **T. N. Bright**

Chief Dunedin Office Princes and Liverpool Streets. Manager **T. D. Dearness**

International Division Manager **P. B. Mackay**

Pacific Islands

Fiji: Suva. Manager **C. J. Fraser**

Papua: Port Moresby. Manager **W. B. Hamilton**

New Guinea: Rabaul. Manager **D. M. Canavan**

British Solomon Islands: Honiara. Manager **J. H. Mozley**

* New Hebrides (to be opened shortly) Vila. Manager **E. R. Pamenter**

United States of America

New York Representative Office 64 Wall Street. Representative **A. A. Watts**

* Japan

Tokyo Representative Office Room 1109, New Yurakucho Building, 11, I-Chome Yuraku-cho, Chiyoda-ku. Representative **R. W. J. Horne**

United Kingdom and Europe

Chief Manager (U.K. and Europe) **R. J. Sutton**, 71 Cornhill, London, E.C.3

Deputy Chief Manager (International) **C. H. Bennett**, 71 Cornhill, London, E.C.3

City Office, 71 Cornhill, London, E.C.3 Manager **N. V. Pinks**

* Offices in the name of Australia and New Zealand Banking Group Limited

Principal Establishments

General Manager's Department

287 Collins Street, Melbourne, Victoria

General Manager

H. McE. Scambler

Senior Deputy General Manager

J. Jennings

Assistant General Managers

K. H. C. Swan

P. B. Sinnott

Chief Manager, Esanda Limited

G. W. Kimber

Chief Manager

T. F. Beckwith

International Banking Division

Victoria

Chief Manager, Victorian Branches T. F. Davies, 86 Queen Street, Melbourne

Melbourne Office 388 Collins Street. Manager J. Scott

Royal Bank Branch 293 Collins Street. Manager J. W. Keck

International Department (Victoria) Manager G. Nicholls

New South Wales

Chief Manager for New South Wales W. M. Manyweathers, 18–20 Martin Place, Sydney

Sydney Office King and George Streets. Manager J. P. Davidson

Martin Place Branch 18–20 Martin Place. Manager E. G. Foster

International Department (New South Wales) Manager A. G. Wiltshire

Australian Capital Territory

Canberra Hobart Place Branch. Manager R. T. Sim

Queensland

Manager for Queensland T. C. J. Caldwell, Queen and Creek Streets, Brisbane

Brisbane Office Queen and Creek Streets. Manager E. C. Smith

South Australia

Manager for South Australia J. C. Haines, 32 Grenfell Street, Adelaide

Adelaide Office 13 King William Street. Manager K. D. Inman

Northern Territory

Darwin. Manager J. M. Gibson

Western Australia

Manager for Western Australia G. E. C. Hodgson, Perth Office, 101–103 St. George's Terrace

Tasmania

Manager for Tasmania A. B. Melrose, Hobart Office, 103 Macquarie Street

*Japan

Tokyo Representative Office Room 1109, New Yurakucho Building, 11, I-Chome

Yuraku-cho, Chiyoda-ku. Representative R. W. J. Horne

United Kingdom

Deputy General Manager R. B. Scotcher, 71 Cornhill, London, E.C.3

Manager, London Administration G. B. Soul, 55 Gracechurch Street, London, E.C.3

Manager, International Banking Division S. L. Alexander, 55 Gracechurch Street, London, E.C.3

Manager, London Office P. J. Burchette, 55 Gracechurch Street, London, E.C.3

*Office in the name of Australia and New Zealand Banking Group Limited

Group Services

The two subsidiary banks, Australia and New Zealand Bank Limited and The English, Scottish and Australian Bank, Limited operate 1,649 branches and agencies in Australia, New Zealand, the Pacific area and the United Kingdom. Representative offices have also been established in New York and Tokyo and there is a network of correspondent banks throughout the world.

Domestic Banking:

Cheque accounts and interest bearing term deposit accounts, including negotiable and convertible certificates of deposit.

Financial assistance for primary, secondary and tertiary industry.

Leasing finance.

Personal loans.

Safe custody and night safe facilities.

Money transfers.

Travellers' cheques, travellers' letters of credit and provision of foreign currency.

Economic and business advisory services covering oil, gas, minerals, rural and industrial undertakings.

Term loans.

Farm development loans.

Savings Banking:

Interest bearing savings accounts for individuals, clubs, societies, etc.

Christmas Club Savings scheme.

Special Purpose Savings accounts.

Loans for housing.

Loans to semi-government instrumentalities, municipal bodies and schools.

Provision of savings bank facilities in factories, offices and schools.

International Banking:

Financing of international trade.

Provision of euro-currency and foreign currency finance.

Advice on import and export procedures.

Overseas remittances.

International consortia financing.

Trade enquiry service.

Oil and minerals services.

Investment:

Portfolio management and investment advisory services.

Nominee and registrar services.

Purchase and sale of investments.

Investment of short, medium and long term funds.

Unit trusts.

Self employed and employees' retirement funds.

Hire Purchase:

Comprehensive hire purchase facilities in Australia, New Zealand, Papua, New Guinea and Malaysia.

Leasing finance.

Financing of capital goods and property.

Miscellaneous:

Complete travel service.

Economic research and information service.

Publications covering a wide range of topics.

Business development service.

Migrant Advisory Centres in Australia and New Zealand.

Migrant services in the United Kingdom and Europe.

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Financial Calendar

Interim Dividend	Announced in May paid in July
Final Dividend	Announced in November paid in January
Half year progress report	Announced in May
Results for year	Announced in November
Report and Accounts	Issued in December
Annual General Meeting	Held in London in January

