

Australia and New Zealand Banking Group Limited



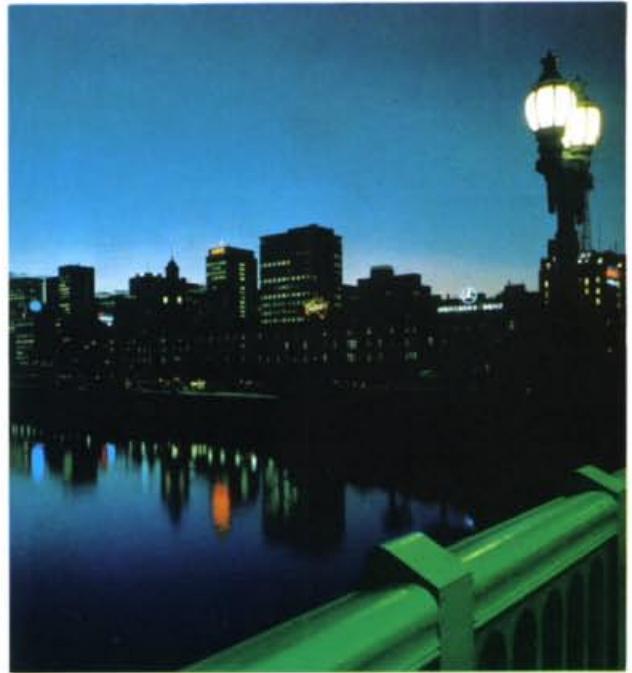
Report and Accounts 1970

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

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Views of the business area of the City of Melbourne, Victoria, by day and by night. The bank is represented at some 300 points in the city and suburbs. A site has been purchased at the eastern end of Collins Street where the new Administrative Headquarters of the bank will be built.



A view of Sydney, New South Wales. There are some 190 offices of the bank in the city and suburbs.

Notice of Meeting

NOTICE IS HEREBY GIVEN that the second Annual General Meeting of Australia and New Zealand Banking Group Limited will be held at the Registered Office, 71 Cornhill, London, EC3, on Thursday, 21st January, 1971, at 12.30 p.m. for the following purposes:

1. To receive the report of the Directors and the accounts for the year ended 30th September, 1970.
2. To declare a dividend.
3. To re-elect Directors.
4. To fix the remuneration of the Auditors.

By Order of the Board
J. W. Agate, Secretary
71 Cornhill, London, EC3
29th December, 1970

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

The following are available for inspection at the Registered Office of the Company, 71 Cornhill, London, EC3, 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.

Australia and New Zealand Banking Group Limited

Board of Directors

Chairman

Alexander Ross

Deputy Chairmen

The Right Hon. Viscount Hampden

R. E. B. Lloyd

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

H. McE. Scambler

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

R. C. Wheeler-Bennett

Administrative and Registered Offices

71 Cornhill, London, EC3

Executive Director

R. C. Wheeler-Bennett

Deputy General Manager

R. B. Scotcher

Secretary

J. W. Agate

Group Accountant

S. Cumberland

Senior Executives

Managing Director

H. McE. Scambler

Chief General Manager

C. H. Rennie

General Managers

R. A. Orpwood

J. Jennings

E. Arundel

Deputy General Manager

R. B. Scotcher

Assistant General Managers

M. Brunckhorst

T. F. Davies

T. F. Downey

A. G. Kilpatrick

G. W. Kimber (General Manager, Esanda)

J. C. Macvean

D. H. Merry (Economic Adviser)

W. H. Simon (General Manager, A.N.Z. Savings Bank)

P. B. Sinnott

K. H. C. Swan

K. O. Wilks

G. B. Willcocks

Chief Manager for New Zealand

T. M. Williamson

Chief Manager (U.K. and Europe)

R. J. Sutton

Report of the Directors

The Directors have pleasure in presenting their report for the Company, together with the audited accounts for the year ended 30th September, 1970. The accounts include the profit of Australia and New Zealand Bank Limited, The English, Scottish and Australian Bank, Limited and their subsidiaries for the year ended 30th September, 1970.

Activities

During the year to 30th September, 1970, the Company's role was mainly that of a holding company co-ordinating the activities and management of its wholly-owned subsidiaries, Australia and New Zealand Bank Limited and The English, Scottish and Australian Bank, Limited, which were engaged in the business of banking and related financial activities in Australia, New Zealand, the Pacific area and the United Kingdom and in international banking business generally.

As from 1st October, 1970, the businesses and undertakings of Australia and New Zealand Bank Limited and The English, Scottish and Australian Bank, Limited were transferred to the Company by virtue of the Australia and New Zealand Banking Group Act 1970, by similar legislation in all the States in Australia, and by enactments in New Zealand, in Fiji and in the British Solomon Islands Protectorate. The legislation included, where appropriate, provision for the transfer of the place of incorporation of Australia and New Zealand Savings Bank Limited from England to Victoria, Australia, and for the merging of the business and undertakings of E. S. & A. Savings Bank Limited into Australia and New Zealand Savings Bank Limited.

Where transfers of the businesses and undertakings by means of legislation were not practicable these were achieved by other procedures.

Details of the main Group structure and the Company's subsidiary and associated companies and trade investments are shown on pages 33 to 35; a list of services provided is shown on page 40.

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 £7,350,000. After deducting amounts totalling £2,169,000 retained by subsidiaries and adding balances of £3,568,000 brought forward by the Company, a total of £8,749,000 became available for appropriation. Of this amount £2,000,000 has been transferred to the Reserve Fund of the Company.

Dividends

An interim dividend of 5 per cent was paid on 20th July, 1970, and the Directors now recommend payment of a final dividend of 5 per cent, making a total distribution of 10 per cent for the year as forecast in the merger proposals.

The final dividend of 5 per cent will, if approved, be paid on 22nd January, 1971, to those members registered in the books of the Company at the close of business on 14th December, 1970. The dividend will be paid less United Kingdom income tax at the rate of 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.

Directorate

The names of the present members of the Board are as shown on page 4 and all were Directors of the Company for the whole of the year under review. The Right Hon. Lord Carrington, P.C., K.C.M.G., M.C., and Sir Colin Anderson, K.B.E., also acted for the Company during part of the year. The resignation of Lord Carrington from the office of Chairman and as a Director of the Company following his appointment in June, 1970, as Secretary of State for Defence was accepted by the Directors with great regret and they desire to place on record their appreciation of his outstanding services to the Group.

The Directors appointed Mr. Alexander Ross to be Chairman of the Board as from 22nd June, 1970.

Report of the Directors/continued

Sir Colin Anderson, whose valued services over many years were referred to in last year's report, retired following the Annual General Meeting on 21st January, 1970.

In accordance with the Articles of Association, the Directors retiring by rotation at the Annual General Meeting are:

The Hon. E. L. Baillieu,
Mr. C. A. W. Dawes, M.C.,
The Hon. Sir Geoffrey C. Gibbs, K.C.M.G.,
The Right Hon. Viscount Hampden,
Colonel A. T. Maxwell, T.D.

and

Mr. R. T. Renton,
who, being eligible, offer themselves for re-election.

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

The Hon. E. L. Baillieu

A Director of The English, Scottish and Australian Bank, Limited since 1967. A partner in Hoare & Co., Govett, stockbrokers, and a member of the London Board of Advice for the National Mutual Life Association of Australasia Limited. Other directorships include Rio Tinto-Zinc Corporation Limited.

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

A Director of The English, Scottish and Australian Bank, Limited since 1961. A Deputy Chairman of P. & O. Steam Navigation Co. Other directorships include The Mercantile & General Reinsurance Co. Limited and Bain, Dawes Group Limited. Also a member of Lloyds.

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

A Director of Australia and New Zealand Bank Limited since its formation in 1951, and a former Chairman of that Bank. Previously a Director of The Bank of Australasia from 1936 and its Chairman at the date of formation of Australia and New Zealand Bank Limited. Other directorships include Antony Gibbs and Sons Limited, Barclays Bank D.C.O., and Union Discount

Company of London Limited. Also Chairman of the London Board of Directors of Australian Mutual Provident Society.

The Rt. Hon. Viscount Hampden

A Director of The English, Scottish and Australian Bank, Limited since 1946 and Chairman of that Bank since 1948. Other directorships include The Associated Portland Cement Manufacturers, Limited and N.M.A. Company of New Zealand Limited.

Colonel A. T. Maxwell, T.D.

A Director of Australia and New Zealand Bank Limited since its formation in 1951, and a former Deputy Chairman of that Bank. Previously a Director of The Union Bank of Australia Limited from 1935 and its Chairman at the date of formation of Australia and New Zealand Bank Limited. Other directorships include Vickers Limited and Alliance Investment Company, Limited.

R. T. Renton

A Director of The English, Scottish and Australian Bank, Limited since 1968. Other directorships include C. Tennant, Sons and Company 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 32.

Personnel

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

	Number of Employees	Aggregate Remuneration
Overseas	17,366	£26,919,215
United Kingdom	979	£1,607,887

Donations

During the year the Company made charitable donations in the United Kingdom totalling £1,398.

Report of the Directors/continued

Branch Representation

The banking business of the Group is conducted through 1,669 branches, sub-branches and agencies which are geographically located as follows:

Location	Branches and Sub-Branches	Agencies
Australia	1,163	283
New Zealand	149	52
Pacific Islands:		
Fiji	2	4
Papua	2	—
New Guinea	4	1
British Solomon Islands	1	—
New Hebrides	1	—
England:		
London	5	—
United States of America:		
New York Representative Office		
Japan:		
Tokyo Representative Office		

Income and Corporation Taxes Act 1970

The close company provisions of this Act do not apply to the Company.

Auditors

The present Auditors, Messrs. Peat, Marwick, Mitchell & Co., 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
1st December, 1970

Our new South Australian Administrative Office building at King William and Currie Streets, Adelaide, which was officially opened in April, 1970.



Our new branch at Vila in the New Hebrides which was opened in March, 1970, to further our activities in the Pacific area.

Statement by the Chairman

Most of you will already know that in June 1970 Lord Carrington resigned from the chairmanship of the bank and relinquished his seat on the Board as a consequence of his appointment as Secretary of State for Defence. He had been a director since 1965 of Australia and New Zealand Bank Limited and became Chairman of that bank in 1967 and of the merged bank last year. During this comparatively short time in which he had been associated with us he had exerted a remarkable influence on our affairs, and I am sure that shareholders and staff will want me to say how greatly we have appreciated all that he did for the bank and to wish him well in the heavy responsibilities of State which he now bears.

Your Board honoured me by asking me to become Chairman in Lord Carrington's place. I accepted the invitation with pride and pleasure and I shall do my best to justify my colleagues' confidence in me.

So much of importance has happened during the last financial year that it is difficult to resist the temptation to dwell upon the past. However, a characteristic of our times is the climate of change, and so it is more pertinent to think and talk of the future.

In my report to you, I shall endeavour to strike a balance between the past, and the future. But ahead of all else, I should express our gratitude to the many governments, government officials, organisations and, most important, to our own staff who contributed to our successful passage through a year of great significance to A.N.Z. Banking Group. On your behalf I offer to them our warm thanks for all they did to facilitate our merger operation. I also take this opportunity of thanking our customers for the ready co-operation which we have received from them.

The merging of the two Banks has proceeded very well indeed as I saw for myself when I visited Australia and New Zealand in September and October last. Because of some excellent planning and a great deal of preparatory work by members of the staff at all levels, we now have an integrated banking organisation. Much detailed work, of course, remains to be done, but the new structure is sound and with each passing day operations proceed more smoothly.

As the result of the merger, the Bank now has 1,669 offices. We have a staff of some 18,500. Total assets exceed \$A3,800 million. We have over 3 million accounts. Our growth capability is greatly enhanced. Our market is wide, and our opportunities are many.

Merger Legislation

At last year's annual general meeting, members voted in support of an application for special legislation in the United Kingdom to facilitate the merger process. This legislation, entitled Australia and New Zealand Banking Group Act 1970, was passed on 15th May, 1970. Supporting legislation was also obtained in each Australian State, New Zealand, Fiji and British Solomon Islands Protectorate.

The main effects of this legislation are threefold. First, on 1st October, 1970, the banking businesses of A.N.Z. Bank and E.S. & A. Bank were transferred to A.N.Z. Banking Group, while their subsidiary savings bank businesses in Australia were merged into Australia and New Zealand Savings Bank Limited. Certain assets of the old banks, mainly land and buildings outside the United Kingdom and shares held in some subsidiary companies, were excluded from the transfer. The old A.N.Z. Bank, E.S. & A. Bank and E.S. & A. Savings Bank will therefore continue within the Group structure to hold and manage these assets.

Second, the merged banks' customers in substantially all areas in which the banks conducted business were enabled to become customers of Australia and New Zealand Banking Group Limited or Australia and New Zealand Savings Bank Limited, as the case may be, without the need to complete formal documentation. In this field alone, the legislation avoided a great inconvenience to our customers, as well as saving an enormous amount of paper work. Governments were financially compensated for the stamp duties and other expenses in cases where these would otherwise have been payable.

Third, Australia and New Zealand Savings Bank Limited which, except for its incorporation in England, was already wholly Australian in its business and in its management, became by virtue of reciprocal provisions in the United Kingdom and Victorian Acts of Parliament, a company incorporated under the Companies Act of Victoria.

Personnel

The necessary reposting of staff members, particularly those in key operational areas, is being undertaken gradually. We recognise that certain members of our staff will experience some disturbance of routine or working conditions. We appreciate greatly their acceptance of this situation and their

Statement by the Chairman/continued

ready co-operation at this time. It is good that the merger opens up for them new prospects for greater job satisfaction and wider opportunities for promotion. Staff benefits and conditions of service generally have been or are being reviewed and it is our objective to offer a rewarding career for all the staff of the new bank.

Premises and Representation

The efficient housing of the combined operations of the Group in each Administrative centre, as well as at branches, is the underlying reason for several large projects in hand or being planned. In Melbourne, we are planning for the erection of a new Administrative Headquarters at the corner of Collins and Exhibition Streets, on a total ground area of 47,000 square feet. In Sydney the 22 storey building in Martin Place, now being built by Esanda, will become our Headquarters for New South Wales in 1972. A site has been acquired adjoining our existing 324 Queen Street Office in Brisbane to enable a new building to be erected for the Group's Queensland Administration.

An important project, completed during the year at a cost of \$A1.4 million, is the eight level building at the corner of King William and Currie Streets, Adelaide, which houses one of our principal branches in that city and the State Administration of South Australia.

Since the last annual report, the number of branches of the merging banks has increased by 21, bringing the total to 1,264 at September, 1970, in addition to 405 sub-branches and agencies.

We have conducted an extensive review of our branch network in Australia and anticipate that over a period we will effect a merging of branches at quite a number of locations. This will result in a considerable saving in operational costs and will free valuable resources for use elsewhere in our business. We have already eliminated duplicated banking facilities at some twenty points involving city, suburban and country branches. The interests of our customers and staff will be fully protected during this rationalisation which is essential for our future progress.

The Bank's Results

Notwithstanding continual increases in operating expenses, particularly staffing costs, I am pleased to report very satisfactory

results for the past year. Gross income has again increased in all sectors of our business and certain economies arising from the merger are already becoming apparent as are benefits stemming from recent years' heavy expenditure associated with conversion of a substantial portion of our accounts and other activities to computer processing.

You will see from the accounts that 1970 consolidated profits show an improvement of £432,000 or 6.2 per cent over the 1969 figures which included 15 months' profits of E.S. & A. Bank and its subsidiaries. After adjustment of the 1969 figures to a 12 months' basis the increase is 16.4 per cent. Valuable contributions to overall results have again been made by Esanda Limited, and by our savings banks and other subsidiaries. In the accounts of the savings banks it will be seen that dividends were not paid to the parent company this year. This course was adopted in order to retain funds within the savings banks to meet premises expenditure which will be required for future expansion of A.N.Z. Banking Group.

A final dividend of 5 per cent is recommended which, together with the interim dividend of 5 per cent paid in July, makes a total dividend for the year of 10 per cent, the rate anticipated by the directors at the time shareholders were asked to approve the Scheme of Arrangement under which the two banks were subsequently merged. This level of distribution represents an effective increase in income for all shareholders for the second year in succession. Transfers to published reserve funds of the Company and its subsidiaries totalled £4,151,000, leaving £4,325,000 to be carried forward in the consolidated accounts.

In the year to September 1970, the Group's trading bank deposits in Australia increased from \$A1,380 million to \$A1,464 million. Our share of all Australian major trading bank deposits declined marginally from 22 per cent to 21.8 per cent and our share of advances increased from 22.4 per cent to 23.1 per cent.

The Group's savings bank deposits in Australia rose from \$A641 million to \$A681 million—the share rising from 9.2 per cent to 9.3 per cent of all savings deposits.

In New Zealand, trading bank deposits increased from NZ\$188 million to NZ\$206 million (the share declining from 23.3 per cent to 22.7 per cent), advances from NZ\$127 million to NZ\$150 million (the share rising from 21.7 per cent to 21.9 per cent) and savings deposits from NZ\$77 million to

Statement by the Chairman/continued

NZ\$87 million, representing a rise in share from 24.1 per cent of private savings bank deposits to 24.4 per cent.

Subsidiary and Associate Companies

Savings Bank—Australia

Australia and New Zealand Savings Bank Limited, in which is merged E.S. & A. Savings Bank Limited, earned a net profit of \$A2,074,000 for the year to 30th September, 1970 (\$A2,124,000 in the previous period which included 15 months' profit of E.S. & A. Savings Bank Limited). The volume of savings deposits continued to grow during the year, but because of strong competition from rising interest rates offered by other institutions in Australia and the general tightening of liquidity, deposit growth for the year was only 6.33 per cent compared with 9.85 per cent in the previous year.

Loans for housing increased and also investment in local and semi-government authorities for financing essential community services.

Strong demand for housing finance was particularly evident in mid-1970 when the Reserve Bank sought co-operation from the savings banks in lifting loan approvals to stimulate the house building industry, after it had been affected by shortage of credit from other sources. The ability of savings banks to provide funds for this purpose was limited, however, by the regulations requiring them to hold at least 65 per cent of depositors' balances in government and semi-government securities and other liquid assets. I am happy to say that late in October the 65 per cent limit was reduced to 60 per cent thus enabling savings banks to apply more of their funds to home building loans.

Savings Bank—New Zealand

A.N.Z. Savings Bank (New Zealand) Limited earned a net profit of NZ\$257,000 for the year to 30th September, 1970 (NZ\$216,000 in the previous year).

Savings in New Zealand continued to grow although at a slower rate than in the previous year.

The 1970 Budget introduced further measures to encourage new savings, including an investment account bearing interest at 5 per cent compounded over a two-year term. While these developments are welcome, a decline in profit margins seems inevitable, as private savings banks are required to invest a substantial proportion of deposits in low-yielding Government Stock.

Finance Companies

Esanda Limited, the Group's wholly-owned general finance subsidiary, continues to make increasing contributions to the growth of Group business and results. Net profit for the year ended 30th September, 1970, of \$A3,498,000 compares with the profit of \$A4,015,000 for the 15 month period to 30th September, 1969, and a dividend of \$A1,200,000 was paid.

Accounts receivable in all the principal areas of the company's activities showed significant growth during the year, with the totals of leasing contracts and consumer and business loans rising from \$A32 million to \$A49 million and from \$A61 million to \$A74 million respectively.

Additional capital of \$A2,500,000, subscribed by A.N.Z. Banking Group at the end of the financial year, will assist further expansion of this company.

I.A.C. (Holdings) Limited in which the Group holds a 21.7 per cent interest experienced a very successful year, its consolidated net profit rising by \$A1,540,000 to \$A7,428,000. The dividend received from this source remained unchanged at \$A600,000.

From the beginning, the Boards of both merging banks recognised the effect of the merger on the existing association between Australia and New Zealand Bank Limited and I.A.C. (Holdings) Limited and stated that discussions would take place between representatives of the merging banks and the Board of I.A.C. about the measures which would need to be taken to preserve the interests of the Group and those of I.A.C. We are continuing to seek a satisfactory outcome.

United Dominions Corporation Finance Limited in which the Group has an important interest reported a consolidated net profit of NZ\$349,000 for the year to March 1970. This represented a rise of 29 per cent on the previous year, and we received an increased dividend of NZ\$40,000 from this source.

In September, there was a re-arrangement of the ownership of United Dominions Corporation Finance Limited, to enable New Zealand investors to participate in the equity.

Our original 20 per cent interest in this finance company is now represented by a 20 per cent holding in the equity of Endeavour Investments (New Zealand) Limited, a holding company with a 72.7 per cent interest in UDC Group Holdings

Statement by the Chairman/continued

Limited, a New Zealand quoted company wholly owning United Dominions Corporation Finance Limited.

Mr. T. M. Williamson, our Chief Manager for New Zealand, represents our interests as a director on the Boards of all three companies.

The Economic Scene

Australia

Buoyant incomes and industrial expansion continued in Australia over the past year, Gross National Product rose by 10.6 per cent in the year to June 1970. However, evidence mounted in the early months of 1970 that the rate of growth of demand was outpacing the growth of resources, and official measures were taken to prevent the excesses of a boom developing.

Features of Growth

Overall growth was assisted by a rising flow of immigrants which helped to expand the total workforce by about 4 per cent in the year to June last. The factory sector continued to expand, capacity being substantially augmented through heavy investment in buildings and plant. Volume of production from Australia's factories, as measured by the A.N.Z. Bank Production Index, was 5 per cent higher in June 1970 than a year earlier, most of the expansion having occurred in the earlier months of the year. Australian stock exchanges recorded unprecedented levels of turnover, with some spectacular price gains, especially in relation to mining shares. There has since been some reaction. The non-farm sector of the economy accounted for more than \$A25,000 million (92 per cent) of G.N.P. in 1969-70, compared with \$A22,200 million (91 per cent) in the previous year. The mineral industries continued to provide highlights of expansion, and large funds flowed into exploration, construction of processing plants, transport and loading systems, and ancillary facilities for new mining ventures. From 1968 to 1969, value of mining output increased by about 30 per cent to an estimated level of over \$A1,100 million, making possible a dramatic rise of 45 per cent in exports of metals and minerals in 1969-70. In the current financial year such exports should exceed \$A1,300 million. Growth in the nation's import bill was checked in the later months of 1969-70 by substantial supplies of petroleum becoming available from domestic sources to replace imports.

Economic Policy

One manifestation of strain as activity quickened in early 1970 was the rising trend of prices and costs, to which labour costs are closely tied in Australia through the system of wage fixing. The Consumer Price Index was rising by something more than 3 per cent annually, with signs of acceleration.

The threat of inflation has dominated fiscal and monetary policies in recent times. Introducing his 1970-71 Budget last August, the Commonwealth Treasurer referred to "an economy that is dynamic and fast growing—but an economy still threatened by disruptive inflation". The Budget therefore was structured to check demand by several measures, including higher indirect taxes and charges, and an overall domestic surplus. This was offset by a continued rapid expansion of Government spending and the welcome reduction of personal income tax rates, to which the Government had previously committed itself.

The Rural Sector

Gross value of rural output in 1969-70 declined 5 per cent, and rising farm costs reduced net farm income by some 20 per cent. This can be mainly attributed to drought conditions, particularly in the pastoral areas of Northern New South Wales and Queensland, the latter State experiencing the worst climatic conditions of this kind in living memory, and the cost-price squeeze which is reducing farmers' incomes and depressing export potential of some of Australia's major products.

Wool growers suffered from persistent weakness in prices in 1969-70. The industry has been in the throes of controversy over improving its traditional procedures for preparing, selling, transporting and marketing wool. The banks have been closely associated with new marketing proposals and co-operated in financing a Price Averaging Plan which initially applied to the sale of small lots through the non-government Wool Marketing Corporation. The function of this Corporation has been taken

Statement by the Chairman/continued

over by a statutory authority—the Australian Wool Commission. The Commission with its wider powers is able to control the disposal of the whole of the Australian wool clip under a reserve price scheme. Whether this new approach will achieve significant and lasting increases in growers' returns remains to be seen.

Because world markets were over-supplied, wheat production quotas of 357 million bushels for the 1969-70 crop were reduced to 318 million bushels for the 1970-71 crop. Drought restricted production and some States did not produce their quotas. A substantial carry-over of wheat from past seasons still remains, and farmers have had to accept reduced incomes or turn to other enterprises.

Australia, while still a major producer of traditional rural products—wheat, wool, meat, sugar, fruit and dairy produce—has recently developed the production of other agricultural items, such as cotton and rice, to the point of providing export surpluses. Farm produce still constitutes about half of Australia's exports. However, farm income now yields only about 8 per cent of Australia's G.N.P. and this proportion seems likely to decline further.

International Trade

In 1969-70 the export values of minerals grew by 45 per cent, of manufactures by 30 per cent and of rural products by 12 per cent, to provide a total increase in merchandise exports of 24 per cent. For the current year, further export growth of about \$A500 million is expected, mainly in minerals and manufactures.

Private capital inflow was relatively subdued in the first three quarters of the year to June last, when high interest rates prevailed in many financial centres overseas and official restraint continued to check the outflow of funds from the U.K. and U.S.A. But capital inflow increased considerably in the last quarter to exceed \$A500 million—nearly as much as the total for the first three quarters. Total private inflow was \$A1,074 million, comparable with the two previous years. However, government transactions yielded a net outflow (largely because of sizeable maturities and high interest rates abroad) resulting in an overall net inflow for the year of \$A867 million. This compared with about \$A1,150 million in the previous year.

Meanwhile, for the second year running, imports rose more slowly than expected, despite buoyant domestic incomes and

spending. For 1969-70 imports increased by about 12 per cent, in which the U.K., U.S.A. and Japan featured as major suppliers. These countries are among Australia's main export markets, and the importance of this is realised by the A.N.Z. Banking Group having direct representation in each of the countries mentioned.

In accord with the newly recognised international practice, Australia now measures her international account in terms of "official assets" which include \$A75 million Statutory Drawing Rights with the I.M.F., added in January, 1970. At June these assets totalled \$A1,538.1 million, compared with \$A1,419.7 million a year earlier. There has been a further gain in subsequent months so that the total at the end of September was about \$A1,500 million—some \$A200 million higher than a year earlier.

Banking and Monetary Policy

Measures designed to prevent undue inflationary pressures developing in Australia were largely implemented through the trading banks. The withdrawal of liquidity during the year 1969-70—planned in the Commonwealth Budget for that year—was concentrated in the June quarter, 1970, when there was a reduction in the volume of money, resulting from the heavy inflow of tax to the Treasury and a tapering off in export earnings.

This tightened position was supported by increases both in interest rates paid by banks on term deposits and in the maximum rate for overdrafts.

The public's holdings of government securities were not rising materially in the early part of 1970, therefore the Central Bank found itself financing a rising proportion of government borrowing and it became increasingly unwilling to buy government securities in the market. Long term yields thus rose to the 7 per cent level. This rise in rates spread generally through the financial system, assisted by the increasing diversity and inter-dependence of institutions now operating in Australian money markets.

The level of activity in several sectors of business was restricted by the rising cost of funds with a slight rise in unemployment being evident from May onwards. Latest statistics show about 1 per cent of the workforce unemployed.

As a result of these combined influences, the growth of trading bank advances, which had responded to the demands of expanding business in the early part of 1969-70, slowed

Statement by the Chairman/continued

down in the June and September quarters of 1970.

It took some time for banks to dampen the growth of actual advances as overdraft limits already granted were utilized to an increasing degree. The restriction was more marked in terms of new and increased overdraft limits granted which fell from an average weekly increase of \$A34.1 million in the June quarter 1969 to \$A32.6 million in the June quarter of 1970.

The key to the banks' ability to expand lending is their "free liquidity". This is the amount of liquid assets and government securities held in excess of the conventional minimum of 18 per cent, plus loans to short-term money market dealers, expressed as a percentage of deposits. The all-bank figure at June, 1970, was 3.6 per cent compared with 6.1 per cent a year earlier.

By September, all-bank free liquidity stood at 4.9 per cent, compared with 6.5 per cent in September, 1969.

In summary, total bank deposits in Australia rose by \$A346 million in 1969-70—6 per cent—compared with \$A579 million in the previous year—10 per cent.

For the current year, 1970-71, it appears that Australia may again undergo a rather similar period of restraint operating through the monetary and banking system, with some withdrawal of spending power over the year.

As in all the recent periods of credit restraint in Australia, correction has been applied mainly through the trading banks, while other financial intermediaries have been permitted to expand. There are, however, hopeful signs from recent events that the authorities will in future make more use of the interest rate as a medium of control. This helps to make the restriction of bank credit more effective, and to spread its effects more promptly and widely through the financial system.

The Economic Outlook

Australia is undergoing a period of adjustment, necessitated by problems which accompany prosperity and high incomes, with buoyant spending power, strong investment and rapidly rising population. The authorities are endeavouring to correct the position without creating serious hardships. As a consequence, pressures of demand have abated in some areas of trade, and the rate of increase of turnover in some industries has slackened.

Australia continues to attract large inflows of migrants and capital, which will ensure

its future growth. New industries and extensions and modernisation of existing plants and facilities are continually raising productivity, providing a basis for higher incomes in future. The external situation is sound, supported by adequate international reserves, and both government and private borrowing has the benefit of Australia's high credit standing.

Real growth of national income is expected to continue at the current level of about 5.5 per cent, which, after allowing for population growth, represents an improvement in the average living standard of all Australians of better than 3 per cent for the year.

New Zealand

The external trading surplus and build-up in overseas reserves have been the main factors contributing to a buoyant business climate in New Zealand in the year under review. Import and other current payments continued to increase substantially, partly reflecting increased prices for overseas goods and services. A slowing in export growth towards the year end resulted in the current account surplus declining from NZ\$72.2 million in the year to September 1969 to NZ\$29.2 million in the 1970 September year. Export receipts rose NZ\$107 million, NZ\$69.7 million of the increase coming from meat exports. A.N.Z. Banking Group's advances to meat companies and other priority export industries, on average, were about 50 per cent higher in 1970 than in 1969.

Liquidity in the private sector increased during the year. Business optimism, combined with rising prices and higher government expenditure, increased the demand for credit and, as a consequence, created difficulties for banks in keeping within official ceilings on lending to non-priority sectors of the economy.

Associated with the high tempo of domestic activity, has been increased industrial unrest and above-average rises in costs and prices. A solution to these problems is vital if the programme to diversify domestic production and develop export markets is to maintain the momentum generated following the 1967 devaluation of the New Zealand dollar. Promotion of structural changes in the economy and expansion of new export markets becomes even more urgent in view of the renewed possibility of the United Kingdom entering the European Economic Community.

Strong Government action aimed at restrict-

Statement by the Chairman/continued

ing present inflationary pressures has recently been announced. Apart from the recently introduced "price freeze" the measures adopted have the effect of increasing taxes paid by the individual.

In August, 1970, we participated in a consortium lending agreement providing the equivalent of US\$40 million to the New Zealand Government, under a revolving multi-currency facility for seven years.

Monetary Policy

Improved opportunities have become available during the year for banks to invest in government securities and these were followed in October 1970 by the introduction of a more flexible deposit interest rate structure. These measures are welcomed in that they provide banks with the incentive to compete vigorously for short, medium and longer term investment funds. A.N.Z. Banking Group participated successfully in the recent increase in all-bank deposits.

The freedom to invest in government securities resulted in a rapid build-up in security holdings in anticipation of the March, 1970, tax flow period. A much greater tax drain than in 1969 was largely financed by running down these securities. A new system of Reserve Bank controls of bank lending was introduced in October, 1969, whereby the reserve, or minimum, cash ratios were reduced to 8 per cent of demand deposits and 3 per cent of time deposits. The interest rate on penal borrowing, enforced when banks exceed official ceilings on non-priority lending was raised to 8.5 per cent from the beginning of June 1970 and in October was made even more expensive for larger amounts. Over the year to September, 1970, all-bank penal borrowing averaged about NZ\$18 million emphasising the continued severe restrictions on bank lending to the private sector.

The new systems are regarded as interim measures, to be continued until such time as more permanent arrangements, possibly along the lines of a liquidity convention similar to those operating elsewhere, can be instituted.

The June Budget and the supplementary measures of October extended a new, and possibly more flexible, system of official control over the non-bank financial sector. Requirements to hold a proportion of assets in public securities were extended to building societies and private superannuation funds, and increased proportions were imposed on finance and life insurance companies, in order to help restrain expenditure by the private sector. The ratio applying to finance companies was again raised in October 1970. Liquid asset ratios of this nature now extend over a wide range of financial institutions. As a result, the Government now has access to substantial funds and this policy could operate to reduce bank liquidity and perpetuate low and stable interest rates.

The Economic Outlook

The rate of increase of export earnings has slowed down in recent months, weakening the overseas current account surplus. However, a variety of factors, including recovery from the drought, indicate a rising level of farm production in 1970-71. This could reduce any serious deterioration in export performance. The effect of the recently announced anti-inflation measures has yet to be felt and measured, but bank lending is likely to remain under restraint. The severity of these restraints could be tempered by the banks' new-found ability to compete for the community's investment funds, and by an increase in bank fixed deposits, which limits the growth of non-bank, and often higher-cost, lenders.

A.N.Z. Banking Group—The Future

I said earlier that I would try to strike a balance between the past and the future. Most of what has been said so far has been about the past year and I hope that you will feel, as I do, that what has been achieved has been very satisfactory.

In Australia, the merger has given us excellent branch representation in the two major states—Victoria and New South

Wales—and a better coverage in all the other States than either old bank could have achieved on its own except over a long period of time.

In New Zealand where Australia and New Zealand Bank Limited previously operated, we are the second largest bank with 140 branches all of which are linked to the Databank computer system. We hope that

Statement by the Chairman/continued

the increased standing and strength of the new bank will assist our staff in New Zealand to accelerate the good all round progress made there in recent years.

Our representative offices in New York and Tokyo will continue to provide new opportunities for enlarging our business contacts in these most important areas of the world. The branch which we opened recently at Vila in the New Hebrides is already doing a useful business and will provide special facilities for international investment.

In London we have a profitable and growing business closely associated with the foreign exchange and international financing activities of the City. These services will enable us to continue to play a growing part in arranging finance from European sources, and in supporting the flow of direct and portfolio investment to Australia and New Zealand in addition to our more traditional role of financing trade to and from the Pacific.

We have taken two other steps which in the long term will support us in meeting the needs of the developing Pacific area.

First, we have formed an association—Australian International Finance Corporation Limited—in partnership with the Bank of Montreal, Crocker-Citizens National Bank (of San Francisco) and the Irving Trust Company (of New York). The Mitsubishi Bank, Ltd. (of Tokyo) has now joined the consortium of banks comprising A.I.F.C. and has undertaken to subscribe \$A1,250,000 which will have the effect of each of the five member banks holding 20 per cent of the issued capital. This Corporation will complement our own activities by undertaking medium and long term lending and other financial services. Finance for the development of natural resources and industries which contribute directly to the development and growth of the Pacific region will be given special consideration.

Second, we recently became a member of a new management consulting group—The Diebold Group International Inc. This Company is a development from the U.S.A. and European management consulting firm, The Diebold Group Inc. who are leaders in this field with an enviable reputation. Our partners in the venture are Manufacturers Hanover Trust Company (of New York), The Industrial Bank of Japan, Ltd., Crown Agents (of London) and The Diebold Group Inc. The

new company will provide management consulting services throughout Asia and many other countries of the world and our membership of it is a logical step in our programme of broadening our financial services in the Pacific.

We start a completely new chapter with confidence but there is no complacency among us. We have inherited the traditions and experience of two highly respected and successful banks. We have inherited a loyal and enthusiastic staff eager to make our merger successful. The merger itself is opportune, bringing us greater strength at a time when this is essential to meet the needs of fast growing national and international corporations engaged in the Pacific area. But much remains to be done before the full benefit of the merger can be realised and, like most other businesses, we face pressure on profitability from ever increasing operational costs. Competition in all areas of our business grows more intense.

The new management structure under our Managing Director, Mr. H. McE. Scambler and our Chief General Manager, Mr. C. H. Rennie, will bring the three most important areas of our business—banking operations, personnel and services, and planning and development—each under the personal responsibility of a General Manager and will, we believe, meet the opportunities and demands of the future. Budgeting and accountability techniques will ensure close attention to profitability, the marketing division will promote our services throughout the areas we serve and the planning and development section will define our long term objectives and plan the means of achieving them.

I end my report with a tribute to Mr. Scambler and Mr. Rennie, who as you know, are members of the main Board of the Bank. In normal times the tasks of our leaders in Australia are onerous but during the last two years Mr. Scambler and Mr. Rennie have additionally borne very great responsibilities in connection with the merging of the two banks. That we have achieved at this stage so great a measure of success is very largely due to their leadership and on your behalf I tender to them our very grateful thanks.

Alexander Ross

1st December, 1970



Australia and New Zealand Banking Group Limited and its subsidiaries

Consolidated Profit and Loss Account

for the year ended 30 September 1970

1969			1970	
\$A'000	£'000		£'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				
14,884	6,918		7,350	15,813
(The 1969 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.)				
3,958	1,840	Deduct amounts retained by subsidiaries	2,169	4,666
10,926	5,078	Profit attributable to Australia and New Zealand Banking Group Limited	5,181	11,147
5,475	2,545	Add balance brought forward	3,568	7,676
16,401	7,623		8,749	18,823
Deduct				
6,573	3,055	{ Interim dividend	1,606	3,456
		{ Proposed final dividend	1,607	3,456
2,152	1,000	Transfer to Reserve Fund	2,000	4,303
7,676	3,568	Balance carried forward by Australia and New Zealand Banking Group Limited	3,536	7,608
1,658	770	Add balances carried forward by subsidiaries	789	1,697
9,334	4,338	Consolidated balances carried forward	4,325	9,305

The Sedco 135F oil-drilling rig pictured off the Taranaki coast of New Zealand's North Island.

The notes appearing on pages 24 to 26 are an integral part of these accounts.

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

Consolidated Balance Sheet

30 September 1970

1969			1970	
SA'000	£'000		£'000	\$A'000
75,299	35,000	Authorised Capital: 35,000,000 shares of £1 each	35,000	75,299
69,124	32,130	Issued Capital: 32,130,000 shares of £1 each, fully paid	32,130	69,124
43,852	20,383	Reserve Funds	24,534	52,782
9,334	4,338	Balance of Consolidated Profit and Loss Account	4,325	9,305
122,310	56,851		60,989	131,211
98,330	45,705	Borrowings by Subsidiaries: Debenture Stock 1970/80 (Secured)	57,107	122,860
38,462	17,878	Unsecured Notes 1970/80 and Loan Deposits	25,654	55,193
529	246	Mortgage Loan	240	516
3,975	1,847	Proposed Final Dividend	1,607	3,456
2,608,927	1,212,665	Deposits, Current Accounts, Bills Payable and Other Accounts (including contingencies reserves and taxation on profits to date)	1,328,707	2,858,581
189,606	88,131	Balances due to Other Banks	97,271	209,268
62,093	28,862	Amounts due in respect of Refinanced Loans to Customers	50,674	109,021
3,124,232	1,452,185		1,622,249	3,490,106
273,376	127,069	Acceptances, Endorsements, Confirmed Credits, Guarantees and other Engagements on behalf of customers and others	151,653	326,267
		Alexander Ross Hampden R. E. B. Lloyd	} Directors	
		S. Cumberland	Group Accountant	
3,397,608	1,579,254		1,773,902	3,816,373

The notes appearing on pages 24 to 26 are an integral part of these accounts.

Consolidated Balance Sheet

1969			1970	
\$A'000	£'000		£'000	\$A'000
129,879	60,370	Coin, Bullion, Notes and Cash at Bankers	49,909	107,374
		Deposits with Other Banks and Financial Institutions		
162,756	75,651	and cheques in course of collection	68,957	148,353
72,800	33,839	Money at Call and Short Notice	26,533	57,083
19,667	9,142	Treasury Notes and Treasury Bills	20,834	44,821
		Statutory Deposits:		
130,794	60,795	With Reserve Bank of Australia	60,966	131,163
10,277	4,777	With Reserve Bank of New Zealand	6,731	14,480
13,572	6,308	Loan Fund Accounts with Reserve Bank of Australia	8,019	17,252
		Investments:		
497,351	231,175	Quoted	215,048	462,654
219,559	102,054	Unquoted at or under cost	108,179	232,736
255,407	118,716	Bills Receivable and Remittances in Transit	144,393	310,648
		Loans and Advances to Customers and Other Accounts		
1,324,885	615,824	(less provision for doubtful debts)	736,192	1,583,843
62,093	28,862	Loans to Customers under Refinance Arrangements	50,674	109,021
		Balances outstanding under Hire Purchase and other contracts entered into by a subsidiary after deducting charges yet to mature £14,290,000 (1969 £11,156,000) and after writing off or providing for bad and doubtful debts	87,420	188,076
3,052,624	1,418,901		1,583,855	3,407,504
		Trade Investments at cost:		
6,679	3,104	Quoted	3,106	6,682
		Market value £6,581,000 (1969 £7,129,000)		
4,667	2,169	Unquoted	3,030	6,520
60,262	28,011	Bank Premises, Sites, Furniture and Equipment, at cost, less amounts written off	32,258	69,400
3,124,232	1,452,185		1,622,249	3,490,106
		Liabilities of Customers and Others for acceptances, endorsements, confirmed credits, guarantees and other engagements	151,653	326,267
273,376	127,069			
3,397,608	1,579,254		1,773,902	3,816,373

Australia and New Zealand Banking Group Limited

Balance Sheet

30 September 1970

1969			1970	
SA'000	£'000		£'000	SA'000
75,299	35,000	Authorised Capital: 35,000,000 shares of £1 each	35,000	75,299
69,124	32,130	Issued Capital: 32,130,000 shares of £1 each, fully paid	32,130	69,124
34,960	16,250	Reserve Fund	18,250	39,263
7,676	3,568	Profit and Loss Account Balance	3,536	7,608
111,760	51,948		53,916	115,995
3,975	1,847	Proposed Final Dividend	1,607	3,456
1,861,034	865,034	Deposits, Current Accounts, Bills Payable and Other Accounts (including contingencies reserves and taxation on profits to date)	954,248	2,052,969
189,606	88,131	Balances Due to Other Banks	97,271	209,268
62,093	28,862	Amounts Due in respect of Refinanced Loans to Customers	50,674	109,021
11,975	5,566	Amounts Due to Subsidiaries	7,741	16,655
2,240,443	1,041,388		1,165,457	2,507,364
273,376	127,069	Acceptances, Endorsements, Confirmed Credits, Guarantees and Other Engagements on behalf of customers and others	151,653	326,267
		Alexander Ross Hampden R. E. B. Lloyd		
		} Directors		
		S. Cumberland		
		Group Accountant		
2,513,819	1,168,457		1,317,110	2,833,631

The notes appearing on pages 24 to 26 are an integral part of these accounts.

Balance Sheet

1969			1970	
\$A'000	£'000		£'000	\$A'000
68,617	31,894	Coin, Bullion, Notes and Cash at Bankers	31,360	67,468
162,756	75,651	Deposits with Other Banks and Financial Institutions and cheques in course of collection	68,608	147,603
57,575	26,762	Money at Call and Short Notice	9,742	20,958
15,783	7,336	Treasury Notes and Treasury Bills	6,680	14,372
		Statutory Deposits:		
130,794	60,795	With Reserve Bank of Australia	60,966	131,163
10,277	4,777	With Reserve Bank of New Zealand	6,731	14,480
13,572	6,308	Loan Fund Accounts with Reserve Bank of Australia	8,019	17,252
		Investments:		
261,139	121,381	Quoted	112,577	242,198
3,031	1,409	Unquoted at or under cost	312	672
255,407	118,716	Bills Receivable and Remittances in Transit	143,826	309,427
		Loans and Advances to Customers and Other Accounts (less provision for doubtful debts)	617,258	1,327,969
1,101,840	512,150	Loans to Customers under Refinance Arrangements	50,674	109,021
62,093	28,862			
2,142,884	996,041		1,116,753	2,402,583
1,449	673	Trade Investments unquoted at cost	1,466	3,154
		Investments in Subsidiaries:		
81,135	37,713	Shares at cost	39,355	84,669
—	—	Loans	178	382
14,975	6,961	Bank Premises, Sites, Furniture and Equipment, at cost, less amounts written off	7,705	16,576
2,240,443	1,041,388		1,165,457	2,507,364
		Liabilities of Customers and Others for acceptances, endorsements, confirmed credits, guarantees and other engagements	151,653	326,267
273,376	127,069			
2,513,819	1,168,457		1,317,110	2,833,631

Australia and New Zealand Banking Group Limited

Notes on the Accounts

1. For the year to 30th September, 1970, the banking business was carried on by Australia and New Zealand Bank Limited and The English, Scottish and Australian Bank, Limited, both wholly owned subsidiaries of the Company. Under the provisions of the Australia and New Zealand Banking Group Act 1970 and similar legislation in Australia, New Zealand, Fiji and the British Solomon Islands Protectorate and by additional transfers, the undertakings of Australia and New Zealand Bank Limited and The English, Scottish and Australian Bank, Limited, were transferred on 1st October, 1970, to the Company and the undertakings of E.S. & A. Savings Bank Limited were merged into those of Australia and New Zealand Savings Bank Limited, except for the items mentioned below. The accounts have been drawn up to reflect these transfers, assets and liabilities being taken in at book values at which they stood in the books of the transferors.

	A.N.Z. Bank £'000	E.S. & A. Bank £'000	E.S. & A. Savings Bank £'000
Premises	12,170	5,560	961
Subsidiary Companies	4,880	1,123	—

2. The 1969 comparative figures have been adjusted where necessary to put them on the same basis as the 1970 figures.

3. 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 date of the Balance Sheet.

4. 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.

5. 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 6 and 7.

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

6. Quoted investments in the Balance Sheet of Australia and New Zealand Banking Group Limited comprise:

	1970	1969
	£'000	£'000
Quoted in Great Britain:		
British Government securities	1,421	5,341
Other securities	2,458	3,201
Quoted outside Great Britain:		
Australian and New Zealand Government securities	108,518	112,826
Other securities	180	13
Market value £109,230,000 (1969 £119,711,000)	112,577	121,381

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

	1970	1969
	£'000	£'000
Quoted in Great Britain:		
British Government securities	1,421	5,341
Other securities	2,458	3,201
Quoted outside Great Britain:		
Australian and New Zealand Government securities	204,331	215,650
Other securities	6,838	6,983
Market value £205,996,000 (1969 £226,890,000)	215,048	231,175

8. There are forward exchange contracts for the sale of currencies to the value of £362,527,000 (1969 £333,825,000) which are covered to a corresponding amount by forward purchases, by arrangements with central banks or by holdings of foreign currencies.

9. Contracts for capital expenditure of the Company and its subsidiaries at 30th September, 1970, totalled £5,669,000 (1969 £6,173,000). Capital expenditure of the Company and its subsidiaries at that date, as authorised by the Directors but not contracted for, totalled £1,491,000 (1969 £2,522,000).

10. Provision has been made in the consolidated accounts for auditors' remuneration of £33,585 (1969 £32,211), of which £1,000 (1969 £1,000) relates to the Company.

Notes on the Accounts/continued

11. The emoluments of the Directors of the Company were as follows:

	1970	1969
Directors' Fees	£30,054	£34,553
Other remuneration (including provision for future pensions)	£72,547	£37,388
	<u>£102,601</u>	<u>£71,941</u>

Included in the above figures are the emoluments (excluding provision for future pensions) of the Chairmen £8,936 (1969 £8,500) and the highest paid Director £11,041 (1969 £10,712). The 1970 figures include a full year's emoluments of certain Directors appointed towards the end of the 1969 year.

The total emoluments (excluding provision for future pensions) of the Directors (excluding Australian resident Directors) are analysed below to show the number of Directors in each category:

	1970	1969
Up to £2,500	11	14
from £2,501 to £5,000	6	4
from £5,001 to £7,500	1	—
from £7,501 to £10,000	—	1
from £10,001 to £12,500	1	1

12. One United Kingdom employee (1969 one) of the Company received emoluments between £10,000 and £12,500.

13. There are liabilities in respect of uncalled capital on trade investments of the Company amounting to £459,000 and of a subsidiary amounting to £30,000.

14. The Company has guaranteed loans by a subsidiary to the extent of £1,199,000 (1969 £2,286,000)

15. Provision has been made for taxation in respect of all profits to 30th September, 1970, taking account of United Kingdom corporation tax at the appropriate rate.

16. Australia and New Zealand Banking Group Limited has guaranteed the depositors' balances with Australia and New Zealand Savings Bank Limited and with A.N.Z. Savings Bank (New Zealand) 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 23. 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.
1st December, 1970.

Aerial top dressing—Uriarra Station, Australian Capital Territory. In the last decade aerial seeding, spraying and fertilizing has made a significant contribution to Australia's increased agricultural productivity.



A round-up of beef cattle at Miranda Downs, Northern Territory. In the fiscal year 1970 the value of beef and veal exports from Australia amounted to \$A294 million.

Australia and New Zealand Savings Bank Limited

Incorporating E. S. & A. Savings Bank Limited
(Deposits guaranteed by Australia and New Zealand Banking Group Limited)

Board of Directors: C. H. Rennie (Chairman), J. Jennings, D. H. Merry, Lord Remnant, Alexander Ross,
W. H. Simon (General Manager), K. H. C. Swan

Balance Sheet

30 September 1970

1969 \$A'000		1970 \$A'000	1969 \$A'000		1970 \$A'000
	Authorised Capital:		16	Notes and Coin	20
14,000	14,000,000 shares of \$A1 each	14,000		Balances with Banks:	
	Issued Capital:		8,526	Australia and New Zealand Banking Group Limited	10,452
5,000	5,000,000 shares of \$A1 each, fully paid	5,000	61,245	Reserve Bank of Australia	39,885
8,300	Reserve Fund	10,700	14,350	Money at Call and Short Notice	27,300
836	Profit and Loss Account Balance	510	3,885	Treasury Notes	30,450
14,136		16,210		Investments:	
	Depositors' Balances and Other Accounts,		179,957	Quoted investments at or under cost:	
	including provision for accrued interest, taxation		14,855	Australian Government securities	160,882
671,295	and reserve for contingencies	712,609		Other Australian securities	14,125
				Market Value \$A162,682,000 (1969 \$A189,354,000)	
				Unquoted Australian and Fijian investments at or	
				under cost:	
			185,042	Loans to Authorities constituted by or under	
			5,030	Government Acts	195,671
				Other Australian and Fijian securities	6,421
				Investments in Subsidiary:	
			1,000	Shares at cost	1,000
			2,750	Loan	3,981
			—	Balances due by Other Banks	1,750
			208,775	Loans and Other Accounts, including accrued	
				interest (less provision for doubtful debts)	236,882
685,431		728,819	685,431		728,819

Profit and Loss Account

for the year ended 30 September 1970

1969 \$A'000		1970 \$A'000	1969 \$A'000		1970 \$A'000
1,200	Transfer to Reserve Fund	2,400	812	Balance brought forward	836
900	Dividend	—		Profit, including income from investments, after	
836	Balance carried forward	510	2,124	charging all expenses, providing for taxation on	
				profits earned to date and making transfers to	
				reserves and provision for contingencies	2,074
				(The 1969 profit includes 15 months' profit	
				of E. S. & A. Savings Bank Limited)	
2,936		2,910	2,936		2,910

Certain of the notes appearing on pages 24 to 26 refer to these accounts

Esanda Limited

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

Summary of the Audited Balance Sheet

30 September 1970

1969 SA'000		1970 SA'000	1969 SA'000		1970 SA'000
10,000	Authorised Capital: 10,000,000 Ordinary Shares of \$A1	10,000		Current Assets: Cash at Australia and New Zealand Banking Group Limited	435
7,500	Issued Capital: 10,000,000 Ordinary Shares of \$A1 each, fully paid	10,000	392	Money at Call	8,825
11	Capital Reserve	15	5,078	Advances, Bills Receivable plus accrued interest	7,120
11,000	General Reserve	13,000		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 \$A30,744,000 (1969 \$A24,002,000)	188,076
761	Unappropriated Profits	1,054	153,584		
19,272		24,069	159,929		204,456
98,330	Secured Borrowings: Debenture Stock (Maturing within one year \$A26,959,000 (1969 \$A11,007,000))	122,860		Investment: Shares in a company listed on a prescribed Stock Exchange, at cost (Market Value \$A144,000 (1969 \$A180,000))	72
38,544	Unsecured Borrowings: Unsecured Notes and Term Deposits (Maturing within one year \$A16,270,000 (1969 \$A8,426,000))	55,271	2,951	Fixed Assets: Freehold land and buildings, at cost	3,774
156,146		202,200			
6,806	Current Liabilities: Sundry Creditors, Interest accrued, Deposits and Australian Income Tax provisions	6,102			
162,952		208,302	162,952		208,302

Disposition of Profit

for the year ended 30 September 1970

1969 SA'000		1970 SA'000	1969 SA'000		1970 SA'000
1,400	Dividend	1,200		Balance of Unappropriated Profits brought forward from previous year	761
3,000	Transfer to General Reserve	2,000	1,243	Over-provision for Australian tax in prior year	—
111	Additional Provision for Tax	5	14	Net Profit after provision for Australian tax (The 1969 Profit was for a 15 months' period)	3,498
761	Balance of Unappropriated Profits carried forward	1,054	4,015		
5,272		4,259	5,272		4,259

Certain of the notes appearing on pages 24 to 26 refer to these accounts.

Analysis of Shareholdings

30 September 1970

Holding of:	Accounts		Shares	
	No.	%	No.	%
Up to 500	16,341	58.7	4,103,764	12.8
501 to 1,000	6,717	24.1	4,632,762	14.4
1,001 to 5,000	4,321	15.5	7,553,968	23.5
5,001 to 10,000	249	0.9	1,688,249	5.3
Over 10,000	224	0.8	14,151,257	44.0
Totals	27,852	100.0	32,130,000	100.0

Held by:				
Nominee, Investment and Trustee Companies	1,207	4.3	8,809,665	27.4
Insurance Companies	136	0.5	4,137,106	12.9
Individuals and others	26,509	95.2	19,183,229	59.7
Totals	27,852	100.0	32,130,000	100.0

Directors' Shareholdings

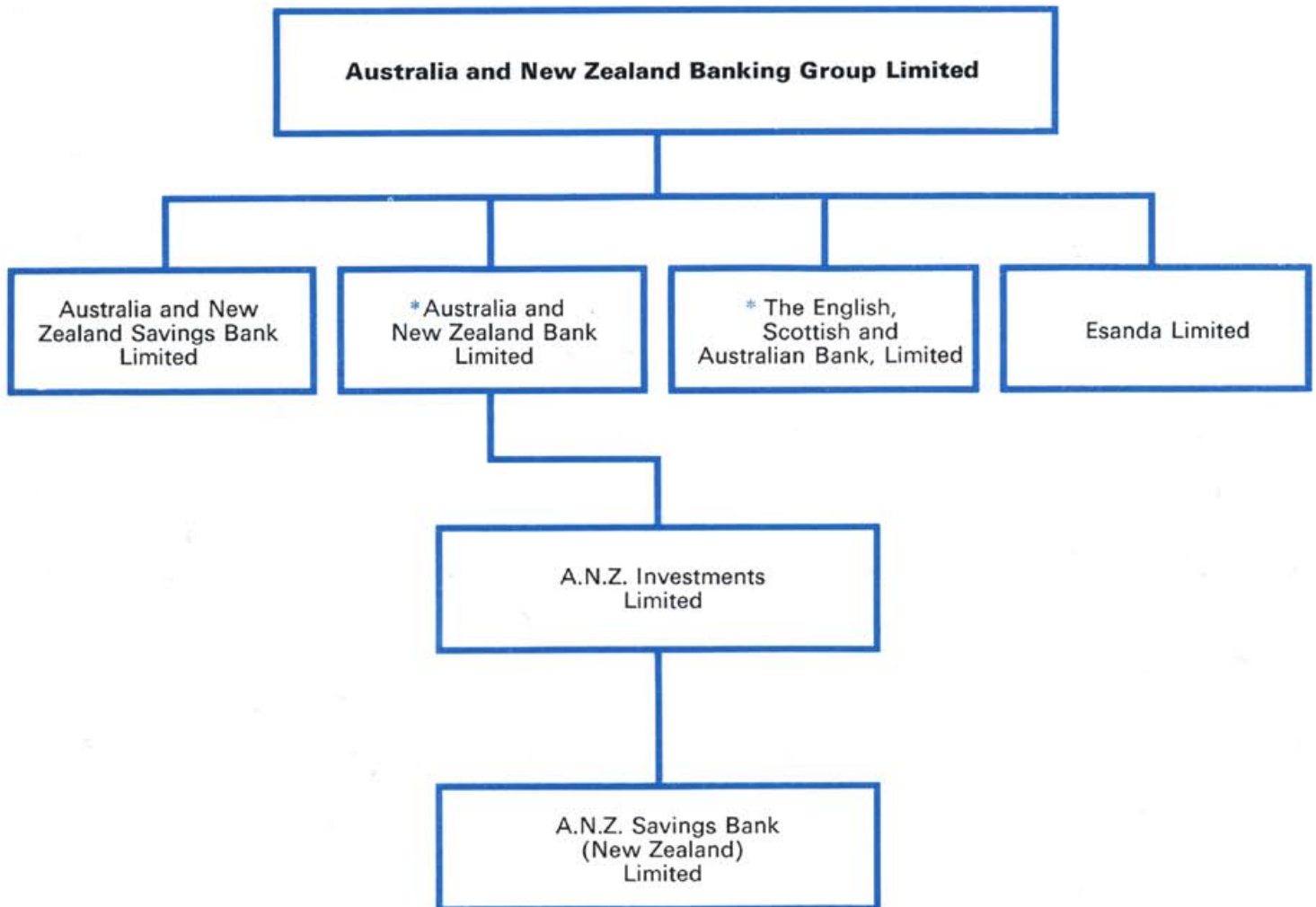
The Directors' interests in the capital of the Company as shown in the register maintained in accordance with section 29 of the Companies Act 1967, were as follows:

	Beneficially Owned		Otherwise Held	
	As at 30th September, 1970	As at 1st October, 1969	As at 30th September, 1970	As at 1st October, 1969
Alexander Ross	337	337	—	—
Viscount Hampden	2,835	2,835	—	—
R. E. B. Lloyd	250	250	4,589	4,589
Sir Donald F. Anderson	1,374	1,374	—	—
The Hon. E. L. Baillieu	405	405	4,500	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	250	—	—
R. T. Renton	405	405	—	—
D. J. Robarts	1,611	1,611	—	—
H. McE. Scambler	300	300	—	—
R. H. Senior	1,954	1,954	5,503	5,351
R. C. Wheeler-Bennett	1,432	1,432	4,050	4,050
Totals	18,750	18,750	35,935	35,778

The combined interests of all the Directors and their families at 30th September, 1970, in respect of either share capital of the Company or voting control did not in the aggregate exceed 5 per cent. The Company has not received any notification under Section 33 of the Companies Act 1967 of any beneficial interest of 10 per cent or more in the share capital of the Company.

Group Structure

The main structure of the Group following the re-organisation on 1st October, 1970, is as set out below :



*The businesses and undertakings of these companies have been transferred to A.N.Z. Banking Group although certain Bank properties and investments remain in the name of the companies.

A detailed analysis of the Group is shown on pages 34 and 35 and a list of Group services is set out on page 40.

Australia and New Zealand Banking Group Limited

Subsidiary Companies and Group Interests

following the re-organisation on 1st October, 1970.

	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. Managed Investments Limited	Australia	209,010 shares of \$A1	100%
A.N.Z. Nominees Limited	England	1,000 shares of £1	100%
A.N.Z. Overseas Finance Limited	England	100 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	Australia	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%
Esanda Limited	Australia	10,000,000 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	21.78%
Australian International Finance Corporation Limited	Australia	5,000,000 shares of \$A1	25%
Australian Interstate Pipe Line Company Limited	Australia	39,360 shares of \$A2	11.1%
Australian Resources Development Bank Limited	Australia	3,000 shares of \$A1,000	14.4%
351 Collins Street Limited	Australia	1,170,000 shares of \$A2	50%
Databank Systems Limited	New Zealand	200,000 shares of NZ\$1	20%
Endeavour Investments (New Zealand) Limited	New Zealand	4,000,000 shares of NZ\$1	20%
I.A.C. (Holdings) Limited	Australia	46,000,000 Ordinary shares of \$A0.50 1,000,000 Preference shares of \$A2	21.74% Nil
Intercontinental Banking Services Limited	England	3,500,000 shares of £1 (10% paid)	14.29%
Malaysia Industrial Finance Corporation Berhad	Malaysia	1,000,000 shares of \$1 Malaysian	25%
Interests of 10 per cent or under			
A.N.G. Holdings Limited	New Guinea	1,300,000 shares of \$A1	1.03%
A.N.G. Properties Limited	New Guinea	420,000 shares of \$A1	10%
Australian Innovation Corporation Limited	Australia	535,000 shares of \$A1 (25% paid)	4.67%
Australia New Guinea Corporation Limited	New Guinea	604,500 shares of \$A1	3.3% 1.65%
Delfin Industrial Finance Limited	Australia	1,200,000 shares of \$A1	10%
Development Finance Corporation of New Zealand	New Zealand	2,000,000 shares of NZ\$1 (50% paid)	6.5%
Private Investment Company for Asia S.A.	Panama	4,720 shares of US\$5,000 each	0.847%
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%
The Diebold Group International Inc.	Liberia	2,000 shares of common stock par value US\$1	Nil
		3,000 shares of convertible preferred stock par value US\$1	10%

Held by:

Activities:

A.N.Z. Banking Group A.N.Z. Banking Group	} The businesses and undertakings of these companies have been transferred to A.N.Z. Banking Group although certain Bank properties and investments remain in the name of the companies.
A.N.Z. Banking Group	Depository company holding Australian securities for Bearer Depository Receipts which are issued in the U.K.
A.N.Z. Investments	Negotiation of foreign currency loans for Australian customers.
A.N.Z. Bank	Holding company for shares in subsidiary and associated companies and trade investments.
Melbourne Safe Deposit	Unit trust management.
A.N.Z. Banking Group	Nominee services.
A.N.Z. Banking Group	Provision of foreign currency loans.
A.N.Z. Banking Group A.N.Z. Pensions Australia and New Zealand Savings Bank	} Management of staff pension funds.
A.N.Z. Banking Group	Owner of certain Bank properties in Australia.
A.N.Z. Banking Group	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. Banking Group	Non-operative.
E.S. & A. Bank	Owner of certain Bank properties in Australia.
A.N.Z. Banking Group	Owner of certain Bank properties in London.
A.N.Z. Banking Group Britannia Investment Co.	} Finance Companies providing hire purchase, lease, instalment and general finance facilities in Australia.
A.N.Z. Banking Group	Nominee services—United Kingdom.
A.N.Z. Banking Group	Nominee services—Australia.
E.S. & A Bank	The business and undertakings of the company have been transferred to Australia and New Zealand Savings Bank although certain Bank properties remain in the name of the company.
A.N.Z. Banking Group	Trustee company.
A.N.Z. Banking Group	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. Banking Group	Provision of medium and long term finance for Australian capital goods exports.
A.N.Z. Banking Group	Medium and long term lending and other related financial services in Australia and the Pacific area.
A.N.Z. Investments	Development and financing of oil and gas pipelines in Australia.
A.N.Z. Banking Group	Provision of medium and long term finance for development of Australia's natural resources.
A.N.Z. Investments	Owner of 351 Collins Street property.
A.N.Z. Banking Group	Computer installation jointly owned by trading banks in New Zealand.
A.N.Z. Investments	Holding company with a 72.7% interest in UDC Group Holdings, a New Zealand quoted company owning United Dominions Corporation Finance, the largest finance company 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. Banking Group	Provision of medium term finance.
A.N.Z. Investments	The business of hire purchase finance in Malaysia.

A.N.Z. Investments	A subsidiary investment holding company of A.N.G. Corporation.
A.N.Z. Investments	Property owner for A.N.G. Corporation's building in Port Moresby.
A.N.Z. Banking Group	Provision of financial, technical, managerial and industrial support for Australian innovations and inventions.
A.N.Z. Investments Melbourne Safe Deposit	} Investment company to assist in the development of Papua and New Guinea.
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. Banking Group	Capital investment in the developing countries of Asia.
A.N.Z. Investments	Investment and banking facilities in S.E. Asia.
Esanda	Television company operating in Western Australia.
A.N.Z. Banking Group	} International management consulting company associated with The Diebold Group offering services in all countries outside Europe and North America.

Australia and New Zealand Banking Group Limited and its subsidiaries

Ten year summary

1961	1962	1963	1964	1965	1966	1967	1968
3,733	4,310	6,018	6,923	8,266	9,574	11,589	13,705
38,152	40,160	47,690	52,710	56,224	56,224	56,224	51,204
72,189	74,781	94,363	106,161	110,668	113,876	118,858	113,999
1,520,957	1,646,723	1,841,960	2,143,271	2,318,586	2,550,132	2,755,105	2,979,711
1,075,444	1,126,284	1,202,993	1,359,179	1,405,342	1,506,444	1,577,712	1,672,268
598,681	625,086	644,399	704,238	774,527	823,914	935,896	1,009,420
182,982 ‡	245,642	306,752	369,221	411,211	460,583	532,110	599,325
34,513 ‡	42,186	58,156	83,266	101,130	116,531	136,793	171,325
48,739	45,765	55,013	62,353	74,566	87,782	91,329	118,189
57,196	55,141	65,406	74,106	88,963	102,941	111,353	140,669
A.N.Z. Savings Bank (New Zealand) Limited commenced business on 1st October 1964				25,345	41,143	53,111	65,821
				1,730	3,677	4,832	5,891
1,068	1,101	1,127	1,162	1,223	1,277	1,280	1,294
346	354	353	386	398	390	351	336

Notes

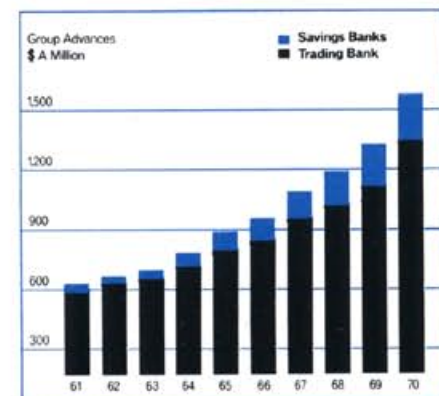
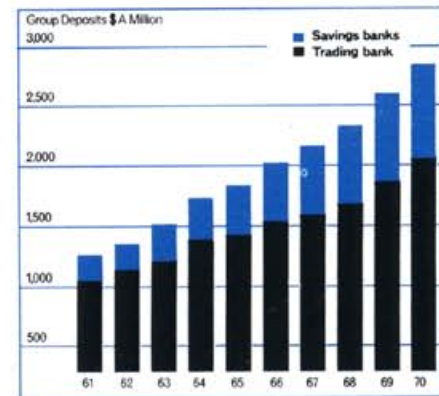
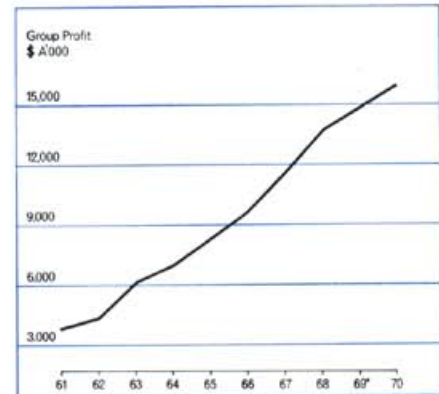
Where applicable the summary comprises the combined figures for Australia and New Zealand Bank Limited and The English, Scottish and Australian Bank, Limited, and for Australia and New Zealand Savings Bank Limited and E. S. & A. Savings Bank Limited. Prior to 1969 the figures for The English, Scottish and Australian Bank, Limited and E.S. & A. Savings 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.

1969	1970	
14,884*	15,813	Amounts in \$A'000 Group Net Profit
69,124	69,124	Paid Up Capital
122,310	131,211	Shareholders' Funds
397,608	3,816,373	Total Group Assets
861,034	2,052,969	Trading Bank Deposits
101,840	1,327,969	Trading Bank Advances
671,295	712,609	Australian Savings Bank Deposits
208,775	236,882	Australian Savings Bank Advances
136,874	178,131	Esanda—Total Borrowings
162,952	208,302	Esanda—Total Assets
78,289	88,491	Amounts in NZ \$'000 New Zealand Savings Bank Deposits
8,233	11,276	New Zealand Savings Bank Advances
1,311	1,327	Branches and Sub-Branches
338	342	Agencies



Principal Establishments

Administrative Headquarters

351 Collins Street, Melbourne, Victoria

Managing Director

H. McE. Scambler

Chief General Manager

C. H. Rennie

General Managers

R. A. Orpwood (Personnel and Services)

J. Jennings (Operations)

E. Arundel (Planning and Development)

Assistant General Managers

T. F. Davies

T. F. Downey

A. G. Kilpatrick

G. W. Kimber (General Manager, Esanda)

J. C. Macvean

D. H. Merry (Economic Adviser)

W. H. Simon (General Manager, A.N.Z. Savings Bank)

P. B. Sinnott

K. H. C. Swan

K. O. Wilks

G. B. Willcocks

Chief Managers International Division **T. F. Beckwith**

J. H. L. Holberton

Victoria

Administrative Offices: 287 Collins Street, Melbourne

Chief Manager **W. M. Manyweathers**

Principal Banking Offices: 388 Collins Street. Manager **R. Gamon**

394 Collins Street. Manager **R. D. Windust**

Royal Bank Branch. (293 Collins Street) Manager **J. W. Keck**

Stock Exchange Branch. (351 Collins Street) Manager **R. T. Brunskill**

New South Wales

Administrative Offices: 2 Martin Place, Sydney

Assistant General Manager and Senior Chief Manager **M. Brunckhorst**

Chief Manager **T. C. J. Caldwell**

Principal Banking Offices: King and George Streets. Manager **J. P. Davidson**

Martin Place and George Street. Manager **E. B. Povey**

Martin Place and Pitt Street. Manager **N. C. Smith**

Pitt and Hunter Streets. Manager **L. L. J. Maloney**

Australian Capital Territory

Principal Canberra Office: Alinga Street and Ainslie Avenue. Manager **R. L. Reid**

Queensland

Administrative Offices: 324 Queen Street, Brisbane. Chief Manager **F. Hill**

Principal Banking Offices: 313 Queen Street. Manager **E. C. Smith**

324 Queen Street. Manager **T. B. Adams**

South Australia

Administrative Offices: 75 King William Street, Adelaide. Chief Manager **V. F. Paul**

Principal Banking Offices: 13 King William Street. Manager **K. D. Inman**

King William and Currie Streets. Manager **G. M. Salthouse**

Principal Establishments/continued

Western Australia

Administrative Offices: 84 St. George's Terrace, Perth
Chief Manager **G. E. C. Hodgson**
Principal Banking Offices: 84 St. George's Terrace. Manager **I. A. Walton**
101 St. George's Terrace. Manager **J. C. Poynton**

Tasmania

Administrative Offices: 86 Collins Street, Hobart
Chief Manager **A. B. Melrose**
Principal Banking Offices: 40 Elizabeth Street. Manager **E. W. J. Day**
103 Macquarie Street. Manager **L. G. Twidale**

Northern Territory

Main Banking Office: 57 Smith Street, Darwin. Manager **T. A. Westerman**

Territory of Papua and New Guinea

Main Banking Offices: Papua. A.N.G. House, Hunter Street, Port Moresby
Manager **W. B. Hamilton**
New Guinea. Mango Avenue, Rabaul.
Manager **N. Luscombe**

New Zealand

Administrative Offices: 196 Featherston Street, Wellington
Chief Manager **T. M. Williamson**
Principal Banking Offices: Wellington, Lambton Quay and Featherston Street
Manager **G. H. Bridge**
Auckland, Queen and Victoria Streets.
Manager **W. E. R. Alexander**
Christchurch, 85 Hereford Street. Manager **T. N. Bright**
Dunedin, Princes and Liverpool Streets.
Manager **T. D. Dearness**

Pacific Islands

Main Banking Offices: Fiji. Suva, Victoria Parade. Manager **C. J. Fraser**
British Solomon Islands. Honiara, Mendana Avenue.
Manager **J. H. Mozley**
New Hebrides. Vila, Rue Higginson.
Manager **E. R. Pamerter**

Japan

Representative Office for Japan: Room 1109, New Yurakucho Building, 11, 1-Chome,
Yuraku-cho, Chiyoda-ku, Tokyo. Representative **R. W. J. Horne**

North America

Representative Office for North America: 63 Wall Street, New York
Representative **A. A. Watts**

United Kingdom and Europe

Administrative Offices: 71 Cornhill, London, EC3
Chief Manager (U.K. and Europe) **R. J. Sutton**
Deputy Chief Manager **C. H. Bennett** Manager (International) **G. B. Soul**
Principal Banking Office: 71 Cornhill, London, EC3 Manager **N. V. Pinks**

Group Services

Australia and New Zealand Banking Group Limited operates over 1,650 offices 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.

Bearer Depositary Receipt service to facilitate dealings in Australian securities in the United Kingdom.

Custodian service for investment funds.

Self employed and employees' retirement funds.

Hire Purchase and General Finance:

Comprehensive instalment purchase and related 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.

The photographs on pages 2 (lower plate) and 28 are by courtesy of the Australian News and Information Bureau, Canberra

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 late in December or early in January
Annual General Meeting	Held in London in January

Australia and New Zealand Banking Group Limited