

# Australia and New Zealand Banking Group Limited

Report and Accounts 1975



# Australia and New Zealand Banking Group Limited

## Financial Summary

	1975	1974
Total consolidated assets	£4,618,888,000	£3,661,119,000
Consolidated profit after tax	£16,864,000	£12,702,000
Dividend : pence per share (gross equivalent)	9·7p (14·92%)	9·092p (13·57%)
Return on shareholders' funds	12·38%	10·94%
Earnings per share	45·9p	36·5p

## Financial Calendar

### Results

First half year results	Announced	20th May, 1975
Results for the year	Announced	2nd December, 1975
Report and accounts	Circulated	22nd December, 1975
Annual General Meeting	To be held	20th January, 1976

### Dividends

Interim dividend	Announced	20th May, 1975
	Paid	8th July, 1975
Recommended final dividend	Announced	2nd December, 1975
	To be paid	30th January, 1976

# Contents

Financial Summary	1
Financial Calendar	1
Notice of Meeting	3
Directors and Senior Management	4
Report of the Directors	5
Analysis of Shareholdings	8
Chairman's Statement	9
Report of the Auditors	14
Statutory Accounts	15
Notes on the Accounts	20
Accounts of Principal Subsidiaries	26
Statement of Source and Application of Funds	29
Subsidiary Companies and Group Interests	30
Ten Year Summary	32
Principal Establishments	34
Group Services	36

# Notice of Meeting

Notice is hereby given that the seventh Annual General Meeting of Australia and New Zealand Banking Group Limited will be held at the Registered Office, 71 Cornhill, London, EC3V 3PR on Tuesday, 20th January, 1976 at 12.30 p.m. for the following purposes :

To adopt the Report of the Directors and the Accounts for the year ended 30th September, 1975.

To declare a final dividend.

To re-elect directors.

To authorise the directors to fix the remuneration of the auditors.

By Order of the Board,  
**R. H. White**, *Secretary*,  
71 Cornhill,  
London, EC3V 3PR.

22nd December, 1975.

## Information for Shareholders

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

The following are available for inspection at the Registered Office of the Company during usual business hours on any weekday (Saturdays and public holidays 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.

Copy of the contract of service between the Company and one director which is required by the Stock Exchange to be made available for inspection.

## Directors

### Chairman

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

### Deputy Chairman

The Right Hon. Lord Remnant

### Managing Director

C. H. Rennie

### Executive Director

R. C. Wheeler-Bennett

### Directors

The Hon. E. L. Baillieu  
M. Brunckhorst, *Chief General Manager*  
C. A. W. Dawes, M.C.  
M. W. Jacomb  
A. D. Marris, C.M.G.  
Colonel A. T. Maxwell, T.D.  
P. E. Nesbitt, D.S.O.  
R. T. Renton  
D. J. Robarts  
Sir Alexander Ross

### Registered Office

71 Cornhill, London, EC3V 3PR

### Secretary

R. H. White

## Senior Management

### Managing Director

C. H. Rennie

### Chief General Manager

M. Brunckhorst

### General Managers

T. M. Williamson  
J. D. Milne

### Assistant General Managers

R. T. Brunskill  
R. W. Davidson  
K. E. Hill  
J. H. L. Holberton  
A. G. Kilpatrick  
J. C. Paton  
V. F. Paul  
M. T. Sandow  
K. O. Wilks

### New Zealand General Manager

K. R. Porter

### Chief Manager in London

N. V. Pinks

For location of Senior Management refer to pages 34 and 35.

# Report of the Directors

The directors present their report for the Company together with the balance sheet, consolidated balance sheet, and consolidated profit and loss account for the year ended 30th September, 1975. Extracts from the accounts of the principal subsidiaries are appended for information.

## Profits and Dividends

Consolidated profit after tax and transfers to contingencies reserves amounted to £16,864,000, which has been dealt with as shown in the consolidated profit and loss account on page 15.

An interim dividend of 4·7p per share was paid on 8th July, 1975 and the directors now recommend a final dividend of 5·0p per share. The total distribution for the year of 9·7p per share, together with the associated United Kingdom tax credit, is equivalent to a gross dividend of 14·92 per cent (1974 13·57 per cent).

The final dividend will, if approved, be paid on 30th January, 1976 to shareholders registered in the books of the Company at the close of business on 22nd December, 1975.

## Directors

Mr. Angus Mackinnon, the former Deputy Chairman of the Company, became Chairman on 22nd June, 1975 in succession to Sir Alexander Ross, who remains on the Board. The directors wish to place on record their appreciation of Sir Alexander's valued services in the office of Chairman.

The Right Hon. Lord Remnant was appointed Deputy Chairman.

Mr. M. Brunckhorst, Chief General Manager, was appointed to the Board on 18th August, 1975. As recently announced in the press, he will become Managing Director on 1st April, 1976 in succession to Mr. C. H. Rennie who is to retire at the end of March.

The names of the directors as at 30th September, 1975 appear on page 4. All were directors of the Company for the whole of the year under review, except Mr. M. Brunckhorst.

Others who served as directors of the Company for part of the year were Sir Geoffrey C. Gibbs and Mr. R. H. Senior, both of whom retired on 31st December, 1974, and Mr. R. E. B. Lloyd, who retired by rotation at the Annual General Meeting in January, 1975 and did not seek re-election.

It is with deep regret that the directors record the deaths of Sir Geoffrey C. Gibbs on 6th July, 1975 and Lord Hampden, a former Deputy Chairman, on 4th September, 1975.

In accordance with the Company's Articles of Association, the following directors retire by rotation at the Annual General Meeting:

Mr. Angus Mackinnon  
Mr. M. W. Jacomb  
Mr. P. E. Nesbitt  
Mr. D. J. Roberts

and, being eligible, offer themselves for re-election.

Mr. M. Brunckhorst, having been appointed a director during the year, is also required to retire at the Annual General Meeting in accordance with the Company's Articles of Association and, being eligible, he offers himself for re-election.

## Directors' Shareholdings

The directors' holdings, beneficial and non-beneficial, in the share capital of the Company are detailed on page 8.

## Directors' Interests in Contracts

No director had any material interest during the year in any contract of significance in relation to the Company's business.

## Substantial Holding of the Company's Share Capital

The Company has not received any notification, nor is it aware, of any single beneficial interest of 10 per cent or more in the share capital of the Company.

## Personnel

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

	Number of Employees	Aggregate Remuneration
Overseas	19,255	£82,328,047
United Kingdom	877	£3,260,502

## Donations

During the year, the Company made charitable donations in the United Kingdom totalling £1,499.

### Activities

The Company and its subsidiaries are engaged in the business of banking and other related financial activities in Australia, New Zealand, the Pacific area and the United Kingdom, and in international banking business generally.

There was no significant change in the nature of the principal activities of the Company or any of its subsidiaries during the year under review.

During the year, A.N.Z. Properties (Australia) Limited, a subsidiary of the Company, opened a public debenture issue to assist in the finance of properties. This issue has now been fully subscribed to an amount of \$A20 million.

Details of subsidiary and associated companies and trade investments appear on pages 30 and 31 and a list of services provided is shown on page 36.

At 30th September, 1975, the Company and its subsidiaries had 1,315 branches, sub-branches, agencies and representative offices. These were geographically located as follows :

	Branches and Sub-Branches	Agencies
Australia	940	152
New Zealand	147	52
Papua New Guinea	6	1
Pacific Islands :		
Fiji	4	1
Solomon Islands	1	—
New Hebrides	2	—
United Kingdom :		
London	4	—
Channel Islands	1	—
Representative Offices :		
New York		
Tokyo		
Hong Kong		
Singapore		

### Income and Corporation Taxes Act 1970

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

### Property Values

In the opinion of the directors, the market value of the investment in premises of the Company and its subsidiaries is currently not less than £54 million in excess of the value shown in the balance sheet, on an existing use basis.

### Statements relating to the Accounts

Prior to the preparation of the Company's accounts for the year, the directors took steps to ascertain that reasonable action had been taken in relation to the writing off of bad debts and the creation of provisions for doubtful debts, and satisfied themselves that all known bad debts had been written off and adequate provisions had been made for doubtful debts.

The directors took reasonable steps, before the profit and loss accounts and the balance sheets were prepared, to ascertain that current assets were shown in the accounting records at a value equal to, or below, the value that would be expected to be realised in the ordinary course of business. In the opinion of the directors, consolidated reserves would be more than adequate to cover any contingencies which may arise.

At the date of this report :

(i) the directors were not aware of any circumstances which could render the amounts written off for bad debts or the amounts of the provisions for doubtful debts for the Company and its subsidiaries inadequate to any substantial extent

(ii) the directors were not aware of any circumstances which would render misleading the values attributed to the current assets in the accounts of the Company and its subsidiaries

(iii) no charge on the assets of the Company or its subsidiaries had arisen since the end of the financial year which secured the liabilities of any other person or company

(iv) no contingent liability of the Company or its subsidiaries had arisen since the end of the financial year which had become, or is likely to become, enforceable within the next twelve months which might affect the ability to meet obligations as and when they fall due

(v) the directors were not aware of any circumstances not otherwise dealt with in this report or the accompanying accounts which would render misleading any amounts stated in the accounts.

The results of the operations of the Company and its subsidiaries for the year to 30th September, 1975 were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature, except as may be referred to herein or in the Chairman's Statement commencing on page 9.

#### **Auditors**

The present auditors, Messrs. Peat, Marwick, Mitchell & Co., will continue in office under the provisions of Section 159 of the Companies Act 1948.

By Order of the Board,  
**R. H. White**, *Secretary*,  
71 Cornhill,  
London, EC3V 3PR.

2nd December, 1975.



# Analysis of Shareholdings

as at 30th September, 1975

Holdings	Accounts		Shares	
	No.	%	No.	%
Up to 500	15,022	58.9	3,676,320	10.0
501 to 1,000	6,149	24.1	4,217,851	11.5
1,001 to 5,000	3,795	14.9	6,470,098	17.6
5,001 to 10,000	240	0.9	1,617,799	4.4
Over 10,000	314	1.2	20,737,932	56.5
	25,520	100.0	36,720,000	100.0

## Holders

Nominee, investment and trustee companies	1,676	6.6	12,213,272	33.3
Insurance companies	125	0.5	6,200,709	16.9
Individuals and others	23,719	92.9	18,306,019	49.8
	25,520	100.0	36,720,000	100.0

## Directors' Holdings

	Beneficial		Non-beneficial	
	As at 30th September, 1975	As at 30th September, 1974	As at 30th September, 1975	As at 30th September, 1974
Angus Mackinnon	2,302	2,302	2,285	2,285
Lord Remnant	462	462	—	—
The Hon. E. L. Baillieu	462	462	1,501	1,501
M. Brunckhorst*	250	—	—	—
C. A. W. Dawes	648	648	—	—
M. W. Jacomb	285	285	—	—
A. D. Marris	648	648	—	—
Colonel A. T. Maxwell	285	285	—	—
P. E. Nesbitt	538	538	—	—
C. H. Rennie	385	285	—	—
R. T. Renton	405	405	—	—
D. J. Robarts	1,611	1,611	—	—
Sir Alexander Ross	457	457	—	—
R. C. Wheeler-Bennett	1,936	1,636	4,050	4,050
	10,674	10,024	7,836	7,836

\*Mr. Brunckhorst purchased his shares in August, 1975 following his appointment to the Board.

There were no changes in directors' shareholdings in the Company between 30th September, 1975 and 21st November, 1975.

# Chairman's Statement

Shareholders will already be aware that, following his decision in October, 1974 to reduce his overall commitments and as reported in his Statement in last year's booklet, Sir Alexander Ross relinquished the Chairmanship of the Bank on 21st June last. I wish to pay tribute to Sir Alexander for his leadership over these last five years during which time we have seen the Bank successfully consolidate and continue to progress following the merger in 1970. I am pleased to say that we still have the benefit of his advice for he agreed to stay on the Board.

I was privileged to be appointed to succeed Sir Alexander and shall do my best to justify the confidence my colleagues have placed in me.

## Staff

Before I begin the review of business for the year, it is appropriate that I should express the Board's thanks to the staff. In a service industry such as banking, the goodwill and dedication of the staff are the keys to success. The high standards that our staff maintain in this regard are reflected in the commendable result the Bank achieved in the latest year despite serious economic difficulties and the increasing competition in our industry. On behalf of the Board, and I am certain of the shareholders also, I therefore thank every member of the staff for his or her contribution to the Bank's continued progress.

## The Year's Results

I am pleased to report that the consolidated profit after tax for the year was £16,864,000, an increase of 32.8 per cent on the previous year. When expressed in Australian dollars the increase was 21.1 per cent. The difference is due to exchange rate fluctuations caused by the gradual weakening of sterling during the year, partially offset by the effects of the devaluation of the New Zealand dollar in August, 1975. The consolidated profit represented earnings per share of 45.9p compared with 36.5p in the previous year.

No adjustment has been made to the 1974 result for the reduction in the Australian company tax rate announced in November, 1974. However, the amount involved is not material in relation to the consolidated figures.

Our Trading Bank's operations in Australia produced a substantial increase in profit after tax. In New Zealand and London, however, the effects of increasing operating costs, which were not matched by increases in net interest and other income, led to the overall Trading Bank profit at £7,294,000 after tax being down 5.4 per cent compared with 1974. In terms of Australian dollars the decrease

was 13.7 per cent. Esanda Limited, our finance company in Australia, showed strong profit growth in the year and was a major contributor to the increase in the consolidated result. The Australian Savings Bank recorded a satisfactory increase in profit, and the New Zealand Savings Bank a reasonable increase in terms of New Zealand dollars. I will refer in more detail to these subsidiaries later in this review.

## Dividends

The Board recommends that a final dividend for the year of 5.0p per share be paid on 30th January, 1976 to shareholders registered in the books of the Bank at the close of business on 22nd December, 1975.

An interim dividend of 4.7p per share was paid on 8th July, 1975 and thus the total distribution for the year will be 9.7p per share. This distribution, together with the associated United Kingdom tax credit, is equivalent to a total gross dividend of 14.92 per cent for the year (1974—13.57 per cent). The increase in the 1975 dividend is the maximum allowed by the United Kingdom Government in terms of the emergency economic measures announced in July last.

There have been no further developments regarding renegotiation of the United Kingdom/Australia and United Kingdom/New Zealand double taxation agreements and so relief at source arrangements are still not available to shareholders resident in Australia and New Zealand. The Board regards this situation as most unsatisfactory although it welcomed the move by the United Kingdom Inland Revenue authorities who have agreed, meanwhile, to pay part of the tax credit on receipt of claims from individual shareholders not resident in the United Kingdom who fulfil certain conditions. It is understood that most nationals of Commonwealth countries qualify for the payment under this arrangement.

## Community Relations

The Bank has always recognised that it has a social as well as an economic function to perform in the communities where it conducts business. This recognition is now heightened by the fact that in most countries in which the Bank is represented companies are operating in a more questioning and enlightened social environment with a background of increasingly demanding legislation.

The Bank actively conducts a community relations programme covering almost all its areas of operation and identifies itself with the educational, cultural and sporting aspirations of the public it serves. This function is a natural extension of the business associations the Bank

maintains with various groups in the community through the provision of its range of banking services.

### **Sponsorships**

The Bank's major single sponsorship is the Miss Australia Quest, which receives strong community support in raising funds for spastic welfare programmes. Other schemes sponsored include local fund raising quests, rural youth exchange programmes, literary and educational awards and local agricultural shows. Bank personnel at all levels are involved in these schemes. In addition, many of our staff work voluntarily for charitable organisations with which the Bank has no sponsorship connection.

### **Donations**

Substantial financial support is also given by the Bank to a wide cross section of charitable and other worthwhile causes. Donations last year ranged from a major cash contribution to the Darwin disaster appeal to a gift of tape recorders for use in schools in the Solomon Islands. Many medical and other institutions benefit from direct donations and from the Bank's fostering of art and other displays in many of our branches.

### **The Australian Economy**

Rarely has the Australian economy suffered greater instability than in the year under review. The relaxed stance of official monetary policy introduced late in 1974 gave way, as 1975 progressed, to moderately increasing restraint as the Government attempted to contain the twin evils of inflation and rising unemployment.

In both cases, however, the curbs produced little immediate response, so that, by mid-1975, consumer prices were increasing at an annual rate of about 17 per cent, and the unemployment rate had risen to almost 5 per cent, both rates being close to the highest levels in Australia in the post-war period. In addition, the year to June saw a fall in aggregate output for the first time since 1952/53 and the third fall in four years in "real" fixed investment by the private business sector. In the rural sector, the picture was equally bleak with a slump in wool and beef prices leading to a sharp fall in farm incomes.

By September, however, following a restrained August Budget in which the Federal Treasurer pointed to inflation as "the central policy problem", the authorities seemed to be bringing the rate of price increases under control although a continued high level of Government deficit spending remained as an impediment to success in the battle to control inflation.

After a record \$A2,567 million deficit in the year to June, 1975 monthly deficits continued at a high level in the new fiscal year and this was an important contributing factor to a high rate of growth in the volume of money. In September, the money supply was still expanding at the annual rate of more than the 20 per cent experienced for most of the earlier part of the year.

In the banking system, there were two broad phases of activity, particularly in lending, which were related to the two distinct periods of monetary policy.

From September, 1974 to March, 1975, the trading banks were free to satisfy all the borrowing requests of creditworthy customers. Then in March, the Reserve Bank asked the banks to moderate their rate of granting new and increased lending approvals in line with the Government's anti-inflation programme with the result that, by mid-September, the major trading banks had reduced their weekly rate of new approvals from the March level of \$A120 million a week to around \$A85 million a week.

This reduction in approvals coincided with a rapid growth of deposits, reflecting the large Government deficit, so that, in the year to September, deposits with the major trading banks soared by \$A3,248 million, or 29 per cent, to \$A14,599 million. This compared with an increase of only \$A116 million, or 1 per cent, in the previous year, which covered a period of severe monetary restraint.

The combination of the deposit surge, lending curbs and generally slack demand for funds for business investment left the banks abnormally liquid in the later months of the year to September. The major trading bank ratio of LGS assets (liquid assets and Government securities) to deposits averaged close to 27 per cent in the June to September, 1975 quarter, in contrast to the situation in the same period of 1974 when the ratio was near the minimum 18 per cent required under the official convention.

This growth in liquidity occurred despite a series of calls of trading bank funds to the Statutory Reserve Deposit accounts at the Reserve Bank. Calls were made in July, August and September, 1975 which raised the ratio of bank deposits in these accounts from an historically low 3 per cent to 5.6 per cent.

Easier liquidity conditions and the downturn in business investment led to a general reduction in short term interest rates as the year progressed. Longer term interest rates held firm in the face of continued high levels of inflation.

In August and September, the Government had an unexpected temporary benefit in its programme of money supply restraint when there was a sudden outflow of capital from Australia. This had been prompted, apparently, by rumours of an impending devaluation of the Australian dollar. Denials by Government spokesmen that a devaluation was proposed, combined with the underlying strength of the Australian balance of payments, subsequently contributed to a falling off in the rate of this outflow.

### **Trading Bank in Australia**

The Trading Bank result in Australia, which I have referred to already, reflected an increase of 13 per cent to \$A1,964 million over the year in our total advances outstanding, coupled with a favourable net interest margin for most of the period.

However, in the latter part of the year we faced the unwelcome combination of a reduced rate of new lending approvals and an increased proportion of deposits "frozen" in the very low interest-yielding statutory reserve deposit account. These factors had adverse implications for the Bank's revenue, a situation which was compounded by a simultaneous sharp increase in costs. All operational expenses, particularly salary and other personnel costs, have continued to rise steeply.

In addition, interest rates paid on deposits have remained at relatively high levels notwithstanding our pioneering move in March, 1975 unilaterally to reduce both deposit and lending rates in the under \$A50,000 business categories.

Australia's rising inflation rate naturally has made investors more conscious of investment yields and an increasing proportion of trading bank deposits now bear interest. Of the Bank's total deposits of \$A3,057 million at the end of the year, 60 per cent were in the interest-bearing category compared with 55 per cent a year earlier when total deposits were \$A2,199 million.

One of the most encouraging developments for the Trading Bank has been the progress of Bankcard, the Australian banks' jointly-sponsored charge card system, which has been operating for more than a year. Cardholder and merchant acceptance has been well ahead of projections with an outstanding feature being the acceptance of Bankcard by most major retailers. Our Bank has a large share of the Bankcard merchant base and its level of cardholder business is in line with forecasts.

Bankcard is now spreading to country areas of New South Wales and Victoria and it is expected that 1976 will see the facility in most major Australian population centres.

As forecast originally, the scheme will take several years to earn profits but results achieved in the first year of operation augur well for the future.

Extension of the Bank's computer facilities throughout Australia was another project which advanced satisfactorily during the year.

On the other hand, I have to report that progress on our new Administrative Headquarters building at Collins Place, Melbourne has been slower than expected, mainly because of industrial disputes.

### **Savings Bank in Australia**

Our Australian Savings Bank, reversing the 1974 adverse trading trend, showed an increased profit after tax for the year to September, 1975 of \$A4,366,000, an increase of 19.1 per cent. A dividend of \$A750,000 was paid to the parent Trading Bank, the same as in 1974.

The increased attention paid by investors to yields, with the steady movement of deposits towards higher interest-bearing accounts, has also been seen by our Savings Bank. Investment accounts, in particular, continued to attract depositors, despite a reduction in the interest rate from 9 per cent to 8 per cent in March, 1975, and, at the year end, 37 per cent of our savings deposits were in investment accounts compared with 29 per cent a year earlier and only 15 per cent at September, 1973. Our total Savings Bank deposits rose by 18 per cent to \$A1,258 million during the year.

A welcome development was the announcement by the Australian Government in December, 1974 that it would advance \$A150 million to banks (mainly savings banks) to on-lend for housing, the objective being to offset declining activity in the home building industry. By March, our Bank had committed its share of the allocation and also its share of a shortfall from some other banks. Although lending for housing has since moderated it has, nevertheless, continued at high levels.

During the year, it was considered appropriate to increase the paid-up capital of the subsidiary by \$A2.5 million to \$A7.5 million.

### **Esanda Limited**

A record profit after tax of \$A12,917,000 was achieved by our general finance and hire purchase subsidiary. The result which reflected the 49 per cent increase in net

receivables achieved in 1973/74, was a notable performance.

The result excluded a tax over-provision of \$A426,000 relating to the year to September, 1974, which was due principally to a reduction in the company tax rate announced in November, 1974. The company tax rate was reduced further in the 1975/76 Australian Budget making it difficult to compare profits after tax but, by notionally adjusting the 1974 profits to the present 42.5 per cent tax rate, the 1975 result represented an increase of 64 per cent.

An unchanged dividend of \$A2 million was paid to the parent Trading Bank.

Esanda's business is mainly instalment credit lending on short to medium terms in the traditional areas of hire purchase, leasing and personal loans. There is only a limited involvement in property and real estate finance.

The strong cash flow associated with the present spread of business, together with the good support investors gave to the company's prospectus issues, enabled a high volume of good business to be written over the period of rising interest rates. Esanda's ability progressively to replace low rate business immediately market interest rates began to rise early last year resulted in some improvement in gross profit margins.

In the year to September, 1975, net receivables increased by 13 per cent to \$A582 million, this modest increase being achieved in a relatively stagnant finance market.

Paid-up capital was increased by \$A2 million to \$A26.5 million during the year to support the growth of business.

### **The New Zealand Economy**

At the beginning of the year, liquidity in the New Zealand banking system was unusually tight. The Government's aim has been to maintain a restrictive monetary policy although allowing adequate bank lending to high priority sectors, including farming, fishing, exports and housing.

The Budget in May, 1975, with some upward adjustment to shorter-term interest rate ceilings and more attractive savings bank deposit facilities, foreshadowed increasing use of interest rates as a tool of monetary policy.

Two months later, in July, a further package of monetary measures was announced including significantly increased interest rates on Government securities and the removal of interest rate restrictions on trading bank deposits for terms of three years and more. However, it

is incongruous that this greater freedom for banks to compete for deposits has not been matched by any easing of the limitation on average overdraft interest rates. Another major economic policy decision during the year was the 15 per cent devaluation of the New Zealand dollar announced in August. The devaluation followed a fall of over 37 per cent in the terms of trade in the year to March, 1975 and a NZ\$1,027 million deficit in the overseas exchange transactions current account in the year to September.

The outflow of funds from the banking system associated with this deficit was offset by a high level of Government spending, including support for primary producers, which helped to sustain deposit growth of the trading banks at a higher rate than in 1974.

Government agencies have greatly expanded their lending activities during the year and are likely to have considerable impact on the future role of trading banks.

### **Trading Bank in New Zealand**

The year was one of rapidly rising costs and generally slower growth of business than in previous years. These and other factors are constraining the profitability of our operations in New Zealand.

Our total Trading Bank deposits rose during the year by NZ\$39 million, or nearly 9 per cent, to NZ\$491 million with NZ\$25 million of the increase being in term deposits. In contrast, our total lending fell NZ\$9 million to NZ\$366 million despite a rise of NZ\$17 million in the term loan component.

### **Savings Bank in New Zealand**

The year saw strong competition among savings banks for funds and more growth in deposits than in 1974. Our deposits rose by NZ\$11 million, or 10 per cent, to NZ\$122 million. The Savings Bank's profit after tax rose by 11 per cent to NZ\$636,000.

### **Pacific Region**

Reasonable growth has been experienced in most categories of business at all the Bank's points of representation in this region.

### **Europe**

We have continued to maintain our strong links in the leading European financial centres and revenue from operations centred in London increased. However, heavy inflationary pressures on costs produced a lower contribution to overall Trading Bank profits than last year.

Although it is early to suggest that the difficulties experienced in the European and United States currency markets are over, they have receded and the system of central bank controls which is being perfected should contribute to the build-up of confidence in these markets.

I am confident that we have the skills to profit from the opportunities that will increasingly emerge to provide financial services for all types of international trade.

### **Representation**

Undoubtedly, the most important development in the year has been the Bank's introduction of the Area Banking concept. The first trial, which began in March in Box Hill, Melbourne, saw 13 suburban branches attached to a central Area Branch. The concept involves concentrating specialised services at the central branch which is given wide decision-making powers for the area. The introduction at Box Hill appears to have been well received and further operations in Australia and New Zealand are planned.

During the year, 12 new branches were opened in areas with potential for early profitability. In the same period, 15 branches were closed by amalgamation, making a total of 222 amalgamations since the 1970 merger, and a further 6 branches were closed at locations with insufficient business potential. There was a net reduction of 53 in the number of sub-branches and agencies.

Negotiations are in progress with the appropriate authorities to convert our Representative Office in New York to Agency status, which will enable us to engage in a wider range of banking activities in the U.S.A.

### **Directors**

Mr. C. H. Rennie, the Managing Director, is to retire on 31st March, 1976, and the Board has appointed Mr. M. Brunckhorst to succeed him from that date. Mr. Brunckhorst, who has a wide knowledge and experience of banking, has been Chief General Manager since April, 1973 and was appointed to the Board last August. I am sure that shareholders will join me in extending good wishes to him on taking up his new and onerous duties.

We have been saddened by the loss of two former prominent members of the Board. In July, Sir Geoffrey Gibbs, who served as Chairman of both the Bank of Australasia and Australia and New Zealand Bank, before their respective mergers, died after retiring from the

Board only a year ago. Two months later, Lord Hampden died after three years in retirement. He was Chairman of The English, Scottish and Australian Bank until the last merger and thereafter Deputy Chairman of this Bank. Both made outstanding contributions to the Boards on which they served with distinction for so many years.

### **Senior Staff Retirements**

This year has seen the retirements of two senior managers after long and notable careers. Mr. A. B. Melrose, State Manager for Tasmania, retired in June and Mr. R. J. Sutton, Chief Manager (U.K. & Europe), in July. We are grateful for their contribution to the success of the Bank and wish them both well in their retirements.

Another retirement of particular significance to the Board was that of Mr. J. W. Agate, Secretary. Past and present members of the Board would wish me to record their gratitude for his distinguished service and we join with his many friends in wishing him well in his retirement.

### **Outlook—Dangers of Inflation**

The number of references to inflation that I have made in this Statement highlights again this year the extent to which this serious problem dominates not only the World's present state of affairs but also its economic outlook. Both Australia and New Zealand, where our main business is conducted, have had near-record rates of inflation in the past year and there is no firm evidence yet of their abatement.

I cannot over-emphasise the importance of governments in these and other countries maintaining strong efforts to reverse the inflationary trends. It is essential that all groups in the community, including major companies such as our own Bank, should co-operate to the full in these efforts.

The difficult business climate in which we are operating presents our management and staff with a formidable challenge. We have been successful in meeting such challenges in the past and I am confident that we will continue to do so in the future.



2nd December, 1975.

# Report of the Auditors

## **To the members of Australia and New Zealand Banking Group Limited**

We have examined the balance sheet and consolidated balance sheet and profit and loss account, together with the notes on the accounts, as set out on pages 15 to 25. The accounts of certain subsidiary companies have been audited by other firms.

In our opinion, the accounts comply with the Companies Acts 1948 and 1967 in the manner authorised for a banking company.

## **Peat, Marwick, Mitchell & Co.**

*Chartered Accountants.*

London.

2nd December, 1975.

# Consolidated Profit and Loss Account

for the year ended 30th September, 1975

	1975		1974	
	£'000	\$A'000	£'000	\$A'000
Consolidated profit before taxation and after transfers to contingencies reserves (Note 2)	41,853	67,978	32,736	58,273
Income, land and other taxes	24,989	40,587	20,034	35,662
Consolidated profit after taxation and transfers to contingencies reserves	16,864	27,391	12,702	22,611
Profit dealt with in the books of the parent company included in consolidated profit above	7,294	11,846	7,708	13,722
Interim dividend	1,726	2,803	1,652	2,941
Proposed final dividend	1,836	2,982	1,686	3,002
Retained profit : (Note 3) Australia and New Zealand Banking Group Limited	3,732	6,061	4,370	7,779
Subsidiaries	9,570	15,545	4,994	8,889
	16,864	27,391	12,702	22,611

Earnings per share, based on the consolidated profit after tax and on the 36,720,000 shares (1974 weighted average 34,826,625) in issue during the year

45·9p

36·5p

## Note :

Realised profits on sale of properties of £1,890,000 (1974 £2,143,000) have been transferred to Reserves and are not included in the figures shown above.

The notes appearing on pages 20-25 are an integral part of these accounts.



# Consolidated Balance Sheet

as at 30th September, 1975

	1975		1974	
	£'000	\$A'000	£'000	\$A'000
Authorised capital:				
50,000,000 shares of £1 each	50,000	81,210	50,000	89,005
<hr/>				
Issued capital:				
36,720,000 shares of £1 each, fully paid	36,720	59,641	36,720	65,365
Reserves	(Note 3)	99,523	79,370	141,287
<hr/>				
Shareholders' funds		136,243	116,090	206,652
Debentures and unsecured notes	(Note 4)	333,001	257,420	458,233
Current, deposit and other accounts including contingencies reserves and provisions for taxation		3,438,963	2,611,739	4,649,157
Other liabilities	(Note 5)	255,723	276,395	492,010
<hr/>				
		4,163,930	3,261,644	5,806,052
Acceptances, guarantees, etc.		454,958	399,475	711,106
A. Mackinnon	} Directors			
Remnant				
A. D. Marris				
S. Cumberland	Group Accountant			
<hr/>				
		4,618,888	3,661,119	6,517,158
<hr/>				

The notes appearing on pages 20-25 are an integral part of these accounts.

		1975		1974	
		£'000	\$A'000	£'000	\$A'000
Cash and short term funds	(Note 6)	266,408	432,700	143,586	255,597
Cheques in course of collection and balances with other banks		190,931	310,110	203,501	362,252
Deposits with Reserve Bank of Australia	(Note 7)	115,826	188,125	60,207	107,175
Investments, other than trade investments	(Note 8)	897,485	1,457,695	584,829	1,041,055
Bills receivable		327,086	531,252	219,769	391,211
Advances, etc., less provision for doubtful debts	(Note 9)	1,891,738	3,072,562	1,674,353	2,980,516
Accrued income and sundry accounts		30,266	49,158	19,987	35,578
Balances outstanding under hire purchase and other agreements, less deferred charges of £81,500,000 (1974 £63,142,000) and provisions		347,859	564,993	281,484	501,069
Trade investments at cost	(Note 10)	2,817	4,576	2,615	4,655
Premises and equipment	(Note 11)	93,514	151,885	71,313	126,944
		4,163,930	6,763,056	3,261,644	5,806,052
Liabilities of customers and others for acceptances, guarantees, etc.		454,958	738,942	399,475	711,106
		4,618,888	7,501,998	3,661,119	6,517,158

# Balance Sheet

as at 30th September, 1975

	1975		1974	
	£'000	\$A'000	£'000	\$A'000
Authorised capital:				
50,000,000 shares of £1 each	50,000	81,210	50,000	89,005
Issued capital:				
36,720,000 shares of £1 each, fully paid	36,720	59,641	36,720	65,365
Reserves <span style="float: right;">(Note 3)</span>	48,550	78,854	44,818	79,781
Shareholders' funds	85,270	138,495	81,538	145,146
Amounts due to subsidiaries	23,616	38,358	21,095	37,551
Current, deposit and other accounts including contingencies reserve and provision for taxation	2,520,574	4,093,917	1,889,902	3,364,215
Other liabilities <span style="float: right;">(Note 5)</span>	255,723	415,345	276,395	492,010
	2,885,183	4,686,115	2,268,930	4,038,922
Acceptances, guarantees, etc.	454,874	738,806	399,474	711,104
A. Mackinnon	} <i>Directors</i>			
Remnant				
A. D. Marris				
S. Cumberland	<i>Group Accountant</i>			
	3,340,057	5,424,921	2,668,404	4,750,026

The notes appearing on pages 20-25 are an integral part of these accounts.

		1975		1974	
		£'000	\$A'000	£'000	\$A'000
Cash and short term funds	(Note 6)	165,720	269,162	78,601	139,918
Cheques in course of collection and balances with other banks		186,546	302,989	201,141	358,051
Deposits with Reserve Bank of Australia	(Note 7)	115,826	188,125	60,207	107,175
Investments, other than trade investments	(Note 8)	460,111	747,312	226,176	402,616
Bills receivable		320,190	520,052	219,769	391,211
Advances, etc., less provision for doubtful debts	(Note 9)	1,520,542	2,469,665	1,388,779	2,472,165
Accrued income and sundry accounts		21,669	35,194	13,476	23,989
Trade investments at cost	(Note 10)	1,580	2,567	1,430	2,545
Investments in subsidiaries at cost		52,296	84,939	48,057	85,546
Amounts due from subsidiaries		10,399	16,890	13,024	23,184
Premises and equipment	(Note 11)	30,304	49,220	18,270	32,522
		2,885,183	4,686,115	2,268,930	4,038,922
Liabilities of customers and others for acceptances, guarantees, etc.		454,874	738,806	399,474	711,104
		3,340,057	5,424,921	2,668,404	4,750,026

# Notes on the Accounts

## 1 Bases of Accounting

(a) The accounts are prepared in sterling. 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 sheets. Sterling amounts for the previous year have been converted at the rate of exchange ruling at 30th September, 1974.

(b) Overseas profits remitted to the United Kingdom during the year have been converted into sterling at the rate ruling at the date of remittance. Other overseas profits have been converted into sterling at the rates ruling at the end of the accounting period. Assets and liabilities in currencies other than sterling have been converted at the rates ruling at the date of the balance sheets and the net surplus arising from such revaluations has been dealt with in the case of subsidiaries through reserves on consolidation, and in the case of the Trading Bank by transfer to contingencies reserve.

(c) Premiums and discounts on dated investments are amortised from the date of purchase to maturity on a straight line basis. Realised profits and losses on sales of investments other than trade investments are taken to profit and loss account in equal instalments over five years commencing with the year in which disposal takes place. As redeemable quoted 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 amortisation of the premium on stocks bought above par referred to above.

(d) The charge for bad and doubtful debts in the profit and loss account of the Company reflects the average bad debts experience of the current year and the preceding four years and the current volume of lending. Provisions for bad and doubtful debts are deducted from Advances, etc. in the balance sheet. Operating subsidiaries within the Group maintain appropriate provisions against bad and doubtful debts.

(e) Expenditure on certain freehold and leasehold buildings prior to 1st October, 1972 has not been depreciated. All expenditure as from 1st October, 1972 on freehold buildings and leasehold properties with more than fifty years unexpired is depreciated on a reducing balance basis. Other leaseholds are amortised on a straight line basis over the unexpired portion of the lease. Expenditure on computers and other equipment is depreciated over their estimated lives on a straight line basis.

(f) Provision has been made for United Kingdom corporation tax (less double taxation relief) and overseas taxes at appropriate rates on the profits for the year. The provision includes an appropriate adjustment for deferred taxation. The profit and loss account item "Income, land and other taxes" includes the provision for United Kingdom corporation tax and overseas taxes. It also includes land and payroll taxes incurred in overseas centres.

(g) Expenses include annual payment of the share of accrued pension liabilities in respect of current and past service to the trustees of staff pension funds in terms of funding arrangements made in accordance with actuaries' recommendations. The assets of the pension funds are held in trust by ANZ Pensions Limited or ANZ Pensions (Overseas) Pty. Limited and are not included in these accounts.

(h) The gross income arising from the various forms of instalment credit transactions and other credit facilities entered into by subsidiaries has generally been calculated by apportionment over the period in which the payments are due in proportion to the monthly balances outstanding.

(i) The share of results of associated companies has not been included in the profit and loss account, except insofar as dividends have been received, on the grounds that the inclusion of the results would involve delay out of proportion to the value to shareholders.

**2 Profit**

The profit of the Company and its subsidiaries has been arrived at after taking account of the following :

	1975 £'000		1974 £'000	
	Trading Bank	Consolidated	Trading Bank	Consolidated
Interest earned, net exchange, commissions, dividends and other items after deducting interest paid, provisions for bad and doubtful debts and transfer to contingencies reserve	162,562	187,978	121,349	137,039
Less: Expenses including directors' emoluments	141,340	146,125	100,587	104,303
Income, land and other taxes	13,928	24,989	13,054	20,034
	7,294	16,864	7,708	12,702

	1975	1974
Expenses include :		
(a) Depreciation on premises and equipment Trading Bank £5,022,000 (1974 £3,311,000)	£5,707,000	£3,764,000
(b) Provision for auditors' remuneration Trading Bank £25,000 (1974 £17,500)	£133,970	£86,520
(c) Emoluments of the directors of the Company :		
Directors' fees	£34,716	£28,000
Other remuneration (including contributions in respect of future pensions)	£103,410	£71,487
Pensions and superannuation gratuities (including past directors)	£12,035	£6,465

Included in the above figures are the emoluments of the Chairmen who served during the year, which (excluding contributions in respect of future pensions) were £9,051 in respect of the period 1st October, 1974 to 21st June, 1975 and £4,139 in respect of the period 22nd June, 1975 to 30th September, 1975. In the 1974 year, the emoluments of the Chairman were £10,625.

Also included in the above figures are the emoluments of the highest paid United Kingdom director which (excluding contributions in respect of future pensions) were £20,350 (net £10,910 after deduction of income tax) in respect of the 1975 year, and £15,609 (net £9,066 after deduction of income tax) in respect of the 1974 year.

The total emoluments (excluding contributions in respect of future pensions) of the directors (excluding the Australian resident directors) fall within the following ranges :

	1975	1974
Up to £2,500	7	8
£ 2,501—£ 5,000	4	4
£ 5,001—£ 7,500	1	1
£ 7,501—£10,000	1	—
£10,001—£12,500	1	1
£12,501—£15,000	—	—
£15,001—£17,500	—	1
£17,501—£20,000	—	—
£20,001—£22,500	1	—

**(d) Emoluments of United Kingdom employees of the Company.**

The number of United Kingdom employees receiving emoluments in excess of £10,000 is shown below. Also shown is the income tax payable for 1974/5 on the maximum figure in each range together with the resultant take-home pay. For this purpose it has been assumed that the recipient is a married man with no children and no other income.

	Tax	Take-home Pay	1975	1974
£10,001—£12,500	£5,390	£7,110	8	4
£12,501—£15,000	£7,090	£7,910	1	—
£15,001—£17,500	£8,900	£8,600	2	—

**3 Reserves**

	1975		1974	
	£'000		£'000	
	Trading Bank	Consolidated	Trading Bank	Consolidated
Profit and loss accounts :				
Brought forward	4,845	7,420*	4,475	6,654
Retained profit	3,732	13,302	4,370	9,364
	8,577	20,722	8,845	16,018
Transfer to reserve funds	4,000	12,619	4,000	8,774
	4,577	8,103	4,845	7,244
Reserve funds	34,000	81,447*	30,000	62,153
Share premium account	9,973	9,973	9,973	9,973
	48,550	99,523	44,818	79,370

\*After adjustment for changes in rates of exchange during the year and, in the case of reserve funds, for surpluses realised on the sale of properties amounting to £1,890,000 (1974 £2,143,000)

**4 Debentures and Unsecured Notes**

	1975		1974	
	£'000	\$A'000	£'000	\$A'000
A N Z Properties (Australia) Limited :				
Debenture stock 1980/87—secured	8,102	13,160	—	—
Esanda Limited :				
Debenture stock 1975/83—secured	183,871	298,644	138,096	245,824
Unsecured notes 1975/83 and deposits	140,818	228,716	119,108	212,024
E S & A Properties (U.K.) Limited :				
Mortgage loan—secured	210	341	216	385
	333,001	540,861	257,420	458,233

**5 Other Liabilities**

	1975	1974
	£'000	£'000
Due to other banks	162,927	202,143
Refinance for loans to customers	90,960	72,566
Proposed final dividend	1,836	1,686
	255,723	276,395

**6 Cash and Short Term Funds**

	1975 £'000		1974 £'000	
	Trading Bank	Consolidated	Trading Bank	Consolidated
Notes, coin, bullion and cash at bankers	45,077	124,578	43,317	94,510
Money at call and short notice	25,026	41,259	29,084	42,876
Treasury notes and treasury bills	95,617	100,571	6,200	6,200
	165,720	266,408	78,601	143,586

**7 Deposits with Reserve Bank of Australia**

	1975 £'000	1974 £'000
Statutory deposits	97,580	49,610
Loan fund accounts	18,246	10,597
	115,826	60,207

**8 Investments**

Quoted investments (excluding trade investments held by the Company and by its subsidiaries, which are dealt with in Note 10) are mainly redeemable at fixed dates within ten years and are stated in the balance sheets at cost adjusted for amortised premiums and discounts. The book amounts and valuations at middle market prices of these investments are given below.

	1975 £'000		1974 £'000	
	Trading Bank	Consolidated	Trading Bank	Consolidated
<b>(a) Investments (excluding trade investments) in the balance sheets comprise:</b>				
Quoted in Great Britain:				
British Government securities	1,000	1,000	1,485	1,485
Other securities	—	—	12	12
Quoted outside Great Britain:				
Australian and New Zealand Government securities	453,636	607,561	222,609	354,101
Other securities	62	9,166	112	7,324
	454,698	617,727	224,218	362,922
Unquoted	5,413	279,758	1,958	221,907
	460,111	897,485	226,176	584,829
<b>(b) Market valuation of quoted investments</b>	438,414	587,288	203,716	324,506



**9 Advances, etc., less Provision**

	1975 £'000		1974 £'000	
	Trading Bank	Consolidated	Trading Bank	Consolidated
Advances to customers, other loans and lease transactions after deducting unearned income and providing for doubtful debts	1,429,582	1,800,778	1,316,213	1,601,787
Loans to customers under refinance arrangements	90,960	90,960	72,566	72,566
	<b>1,520,542</b>	<b>1,891,738</b>	<b>1,388,779</b>	<b>1,674,353</b>

**10 Trade Investments**

	1975 £'000		1974 £'000	
	Trading Bank	Consolidated	Trading Bank	Consolidated
Quoted (market value £3,000 (1974 £3,000) )	—	8	—	8
Unquoted	1,580	2,809	1,430	2,607
	<b>1,580</b>	<b>2,817</b>	<b>1,430</b>	<b>2,615</b>

A list of subsidiary and associated companies and other trade investments is given on pages 30 and 31 and forms part of these Notes on the Accounts. See also Note 1(i).

**11 Premises and Equipment**

	1975 £'000		1974 £'000	
	Trading Bank	Consolidated	Trading Bank	Consolidated
Freehold and leasehold premises and sites at cost or valuation, less amounts written off	3,447	65,126	2,391	53,863
Computers, furniture, office machines and other equipment at cost, less amounts written off	26,857	28,388	15,879	17,450
	<b>30,304</b>	<b>93,514</b>	<b>18,270</b>	<b>71,313</b>

Included in the freehold and leasehold premises is the cost of the investment in a subsidiary, 57 Willis Street Limited, amounting to £877,000 at 30th September, 1975. The accounts of this company, which is currently developing a property in New Zealand, have not been consolidated with those of Group on the grounds of the insignificance of the amounts involved and the particular nature of the development, under which shares in the company are being transferred to outside parties. It is intended that Group will eventually retain some 15 per cent of the company's issued share capital.

**12 Capital Commitments**

	1975 £'000		1974 £'000	
	Trading Bank	Consolidated	Trading Bank	Consolidated
Contracts for outstanding capital expenditure not provided for in these accounts totalled	4,697	11,278	5,012	17,681
Capital expenditure, as authorised by the directors but not contracted for, totalled	33,144	36,560	15,758	25,670

### 13 Contingent Liabilities

(a) There are contingent liabilities in respect of uncalled capital on trade investments amounting to £450,000 (1974 £450,000).

(b) The Company has guaranteed the repayment of loans made to its customers by two subsidiaries to the extent of £3,250,000 (1974 £164,000).

(c) The Company has guaranteed the depositors' balances with Australia and New Zealand Savings Bank Limited and with ANZ Savings Bank (New Zealand) Limited.

(d) The Company has agreed to provide funds to ANZ Properties (Australia) Limited, to meet its liabilities as they fall due, should the subsidiary have insufficient funds for that purpose.

(e) There are forward exchange contracts for the sale of currencies to the value of £982,650,000 (1974 £978,748,000) which are covered to a corresponding amount by forward purchases, by arrangements with central banks and others, or by holdings of foreign currencies. The amounts represent the sterling equivalent of the total liability calculated in US dollars.

# Summary of the Audited Balance Sheet

as at 30th September, 1975

Board of Directors: C. H. Rennie *Chairman*, M. Brunckhorst, A. G. Kilpatrick, Angus Mackinnon, J. D. Milne, Lord Remnant, T. M. Williamson *General Manager*.

	1975 \$A'000	1974 \$A'000		1975 \$A'000	1974 \$A'000
Authorised capital: 14,000,000 shares of \$A1 each	14,000	14,000	Cash	125	127
Issued capital: 7,500,000 shares of \$A1 each, fully paid	7,500	5,000	Short term funds	—	18,000
Reserve fund	24,700	21,200	Deposits with Australia and New Zealand Banking Group Limited	18,403	18,018
Profit and loss account	1,239	1,123	Deposits with Reserve Bank of Australia	129,000	91,000
	33,439	27,323	Treasury notes	8,046	—
Deposits and other liabilities including contingencies reserve and provision for taxation	1,334,814	1,128,336	Investments:		
			Quoted:		
			Australian Government	230,112	205,364
			Other	14,732	12,736
			Market value \$A222,589,000 (1974 \$A186,506,000)		
			Unquoted:		
			Local and Semi-Government	390,015	333,294
			Other	4,818	5,308
			Shares in subsidiary	5,000	1,000
			Amount due from subsidiary	8,000	—
			Balances due by other banks	1,750	1,750
			Loans and other accounts less provision for doubtful debts	558,252	469,062
	1,368,253	1,155,659		1,368,253	1,155,659

## Profit and Loss Account

for the year ended 30th September, 1975

Transfer to reserve fund	3,500	3,000	Balance brought forward	1,123	1,208
Dividend	750	750	Profit for year after transfer to contingencies reserve	4,366	3,665
Balance carried forward	1,239	1,123		5,489	4,873
	5,489	4,873			

# Summary of the Audited Balance Sheet

as at 30th September, 1975

Board of Directors: K. R. Porter *Chairman*, N. R. Frost *General Manager*, E. L. Jones, Angus Mackinnon, Lord Remnant, W. J. Sisam, T. G. Williams, T. M. Williamson.

	1975 NZ \$'000	1974 NZ \$'000		1975 NZ \$'000	1974 NZ \$'000
Authorised capital: 250,000 shares of NZ \$2 each	500	500	Deposits with Australia and New Zealand Banking Group Limited	5,230	4,146
Issued capital: 250,000 shares of NZ \$2 each, fully paid	500	500	Investments:		
Reserve fund	2,700	2,100	Quoted:		
Profit and loss account	473	437	New Zealand Government Market Value NZ \$23,020,000 (1974 NZ \$28,565,000)	23,905	28,859
	3,673	3,037	Unquoted:		
Deposits and other liabilities including contingencies reserve and provision for taxation	124,895	114,383	New Zealand Government special stock	56,775	49,500
			Local authority	4,201	3,698
			Other	17	17
			Loans and other accounts less provision for doubtful debts	38,440	31,200
	128,568	117,420		128,568	117,420

## Profit and Loss Account

for the year ended 30th September, 1975

Transfer to reserve fund	600	500	Balance brought forward	437	363
Balance carried forward	473	437	Profit for year after transfer to contingencies reserve	636	574
	1,073	937		1,073	937

# Summary of the Audited Balance Sheet

as at 30th September, 1975

Board of Directors: C. H. Rennie *Chairman*, M. Brunckhorst, K. E. Hill *General Manager*,  
A. G. Kilpatrick, J. D. Milne, K. O. Wilks, T. M. Williamson.

	1975 \$A'000	1974 \$A'000		1975 \$A'000	1974 \$A'000
Authorised capital: 30,000,000 shares of \$A1 each	30,000	30,000	Deposits with Australia and New Zealand Banking Group Limited	1,602	4,162
Issued capital: 26,500,000 shares of \$A1 each, fully paid	26,500	24,500	Money at call	24,290	6,550
Capital reserve	140	132	Receivables, less provisions and less charges yet to mature \$A132,372,000 (1974 \$A112,399,000)	581,871	512,774
General reserve	38,000	28,000	Premises and equipment	14,695	15,052
Profit and loss account	3,263	1,920			
	67,903	54,552			
Debenture stock	298,644	245,824			
Maturing within one year \$A63,660,000 (1974 \$A42,369,000)					
Unsecured notes and deposits	228,993	212,301			
Maturing within one year \$A156,316,000 (1974 \$A129,553,000)					
Other liabilities including provision for taxation	26,918	25,861			
	622,458	538,538		622,458	538,538

## Profit and Loss Account

for the year ended 30th September, 1975

Transfer to general reserve	10,000	5,000	Balance brought forward	1,920	1,819
Dividend	2,000	2,000	Profit for year	12,917	7,101
Balance carried forward	3,263	1,920	Overprovision for taxation in prior year	426	—
	15,263	8,920		15,263	8,920

# Consolidated Statement of Source and Application of Funds

for the year ended 30th September, 1975

	1975 £'000	1974 £'000
<b>Source of Funds</b>		
Consolidated profit after transfers to contingencies reserves	16,864	12,702
Increases in :		
Issued capital	—	4,590
Share premium account	—	9,973
Current and deposit accounts, etc. and other liabilities	813,403	—
Borrowings by subsidiary companies	75,581	81,799
Decreases in :		
Cash and short term funds	—	77,078
Deposits with central bank	—	75,136
Investments (other than trade investments)	—	152,199
	905,848	413,477

## Application of Funds

Dividends paid	3,562	3,338
Increases in :		
Cash and short term funds	122,822	—
Deposits with central bank	55,619	—
Investments (other than trade investments)	312,656	—
Advances	217,385	104,007
Balances outstanding under hire purchase and other agreements	66,375	72,304
Premises and equipment	22,201	7,709
Other assets	105,228	69,507
Decreases in :		
Current and deposit accounts, etc. and other liabilities	—	156,612
	905,848	413,477

# Subsidiary Companies and Group Interests

see Note 10 on page 24

\*Where applicable, loan capital and reserves have been shown for companies in which the Group interest in the equity capital amounts to 20 per cent or more.

	Incorporated in	Principal areas of operations	*Issued Capital
<b>Subsidiaries</b>			
ANZ Custodians Limited	Australia	Australia	7 shares of \$A1
ANZ Discounts Limited	Australia	Australia	5 shares of \$A2
ANZ Holdings Limited	Great Britain	Australia/N.Z.	15,400,000 shares of £1
ANZ Investments Limited	Great Britain	International	100 shares of £1
ANZ Managed Investments Limited	Australia	Australia	209,010 shares of \$A1
ANZ Nominees Limited	Great Britain	England/Aust./N.Z.	1,000 shares of £1
ANZ Overseas Finance Limited	Great Britain	England/Aust./N.Z.	100 shares of £1
ANZ Pensions Limited	Great Britain	England/Aust./N.Z.	250,000 shares of £1
ANZ Pensions (Overseas) Pty. Limited	Australia	Australia/N.Z.	5 shares of \$A2
ANZ Properties (Australia) Limited	Australia	Australia	5,000,000 shares of \$A1
Australia and New Zealand Banking Group (Channel Islands) Limited	Guernsey	Channel Islands	250,000 shares of £1
ANZ Nominees (Guernsey) Limited	Guernsey	Channel Islands	1,000 shares of £1
ANZ Finance (Jersey) Limited	Jersey	Non-operative	10 shares of £1
Australia and New Zealand Savings Bank Limited	Australia	Australia	7,500,000 shares of \$A1
ANZ Savings Bank (New Zealand) Limited	New Zealand	New Zealand	250,000 shares of NZ\$2
ANZ Services Limited	Australia	Non-operative	5,000 shares of \$A2
Britannia Investment Company Pty. Limited	Australia	Australia	82,000 shares of \$A1
Esanda Limited	Australia	Australia	26,500,000 shares of \$A1
Esanda (Wholesale) Pty. Limited	Australia	Australia	50 shares of \$A2
Esanda Nominees Limited	Great Britain	England	100 shares of £1
ES&A Holdings Limited	Great Britain	Australia	8,400,000 shares of £1
ES&A Nominees (Australia) Pty. Limited	Australia	Australia	50 shares of \$A2
ES&A Properties (Australia) Limited	Australia	Australia	2,000,000 shares of \$A1
ES&A Properties (U.K.) Limited	Great Britain	England	125,000 shares of £1
ES&A (Security) Pty. Limited	Australia	Australia	2 shares of \$A2
Melbourne Safe Deposit Pty. Limited	Australia	Australia	29,000 shares of \$A1
57 Willis Street Limited	New Zealand	New Zealand	5,151,000 shares of NZ\$1 (31.9% paid)
<b>Associated Companies</b>			
Australian Banks' Export Re-Finance Corporation Limited	Australia	Australia	2,000,000 shares of \$A1 Loan Capital \$A44,300,000 Reserves \$A868,299
Australian International Finance Corporation Limited	Australia	Australia and Pacific Area	6,250,000 shares of \$A1 Reserves \$A576,000
351 Collins Street Limited	Australia	Australia	1,170,000 shares of \$A2
Databank Systems Limited	New Zealand	New Zealand	200,000 shares of NZ\$1 Loan Capital NZ\$9,435,000 Reserves NZ\$984,482
Endeavour Investments (New Zealand) Limited	New Zealand	New Zealand	4,000,000 shares of NZ\$1 Reserves NZ\$2,158,232
Malaysia Industrial Finance Corporation Berhad	Malaysia	Malaysia	1,200,000 shares of \$1 Malaysian Reserves \$887,866 Malaysian
Melanesia International Trust Company Limited	New Hebrides	International	525,000 shares of £0.50
<b>Interests of under 20%</b>			
ANG Holdings Limited	Papua New Guinea	Papua New Guinea	1,766,900 ordinary shares of K1 497,000 cumulative convertible 9% preference shares of K1
Australia New Guinea Corporation Limited	Papua New Guinea	Papua New Guinea	654,500 shares of K1
Australian Innovation Corporation Limited	Australia	Australia	712,000 shares of \$A1
Australian Interstate Pipe Line Company Limited	Australia	Australia	60,960 shares of \$A2
Australian Resources Development Bank Limited	Australia	Australia	7,000 shares of \$A1,000
Charge Card Services Limited	Australia	Australia	80,000 shares of \$A1
Intercontinental Banking Services Limited	Great Britain	International	3,500,000 shares of £1 (10% paid)
Private Investment Company for Asia S.A.	Panama	Asia	5,760 shares of U.S.\$5,000
Society for Worldwide Interbank Financial Telecommunication	Belgium	International	16,670 shares of B.F. 5,000
South East Asia Development Corporation Berhad	Malaysia	South-East Asia	3,500,000 shares of \$1 Malaysian

Group Interest	Held by	Nature of business
100%	ANZ Banking Group	Custodian and nominee services
100%	ANZ Investments	Negotiation of foreign currency loans for Australian customers
100%	ANZ Banking Group	Property owning company
100%	ANZ Banking Group	Holding company for subsidiary and associated company shares
100%	Melbourne Safe Deposit	Full range of investment services for public
100%	ANZ Banking Group	Nominee services
100%	ANZ Banking Group	Provision of foreign currency loans
100%	ANZ Banking Group	Management of staff pension funds
100%	ANZ Banking Group	
100%	ANZ Savings Bank	Property owning company
100%	ANZ Banking Group	Full range of banking services
100%	ANZ Banking Group	Nominee services
100%	ANZ Banking Group	Non-operative
100%	ANZ Banking Group	Savings banks
100%	ANZ Investments	
100%	ANZ Banking Group	Non-operative
100%	ES&A Holdings	Property owning company
100%	ANZ Banking Group	Hire purchase, lease, instalment and general finance facilities
100%	Britannia Investment Co.	
100%	ANZ Banking Group	Nominee services
100%	ANZ Banking Group	Property and investment owning company
100%	ANZ Banking Group	Nominee services
100%	ES&A Holdings	Property owning companies
100%	ANZ Banking Group	
100%	ANZ Banking Group	Trustee company
100%	ANZ Banking Group	Holding company for subsidiary and associated company shares
63.21%	ANZ Banking Group	Property owning company
21.78% 20.75%	ANZ Banking Group	Finance for Australian capital goods exports
20%	ANZ Banking Group	Short and medium term lending and related financial services
50%	ANZ Investments	Owner of 351 Collins Street property in Melbourne
20%	ANZ Banking Group	Nationwide computer network jointly owned by the trading banks
20%	ANZ Investments	
20%	ANZ Investments	Majority shareholder of UDC Group Holdings Ltd., which owns United Dominions Corporation Finance Ltd.
25%	ANZ Investments	Hire purchase finance
38.04%	ANZ Investments	Trustee, corporate and financial services
0.59%	ANZ Investments	A subsidiary investment holding company of ANG Corporation Ltd.
Nil 4.59%	ANZ Investments Melbourne Safe Deposit	Investment company
3.51%	ANZ Banking Group	Finance for Australian innovations and inventions
11.11%	ANZ Investments	Development and financing of oil and gas pipelines
14.29%	ANZ Banking Group	Financing development of Australia's natural resources
12.50%	ANZ Banking Group	Service company for administration and provision of bank charge cards
14.29%	ANZ Banking Group	Provision of medium term finance
0.70%	ANZ Banking Group	Capital investment in developing countries of Asia
0.06%	ANZ Banking Group	Management of inter-bank telecommunications system
0.86%	ANZ Investments	Investment and banking facilities in South-East Asia



## Ten Year Summary

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 ES&A Savings Bank Limited. Prior to 1969, the figures for The English, Scottish and Australian Bank, Limited and ES&A Savings Bank Limited were as at 30th June. As a consequence

of a revised format for the accounts introduced in 1973, it has been necessary to make certain adjustments to previous year figures.

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

§ These items show decreases on previous years' figures because of significant alterations in exchange rates.

1966	1967	1968	1969	1970	1971	1972	1973	1974	1975
Amounts in \$A'millions									
9.6	11.6	13.7	14.9*	15.8	13.7	17.1	22.3	22.6	27.4
56.2	56.2	51.2§	69.1	69.1	69.1	65.3§	52.1§	65.4	59.6 §
113.9	118.9	114.0§	122.3	131.2	138.0	142.7	155.4	206.7	221.3
2,550.1	2,755.1	2,979.7	3,397.6	3,816.4	4,129.5	4,699.5	5,795.9	6,517.2	7,502.0

Amounts in \$A'millions									
1,506.4	1,577.7	1,672.3	1,861.0	2,053.0	2,149.2	2,541.5	3,306.0	3,364.2	4,093.9
823.9	935.9	1,009.4	1,101.8	1,328.0	1,369.2	1,383.4	2,021.2	2,343.0	2,321.9 §

Amounts in \$A'millions									
460.6	532.1	599.3	671.3	712.6	783.8	895.7	1,138.2	1,128.3	1,334.8
116.5	136.8	171.3	208.8	236.9	267.1	299.8	382.8	469.1	558.3

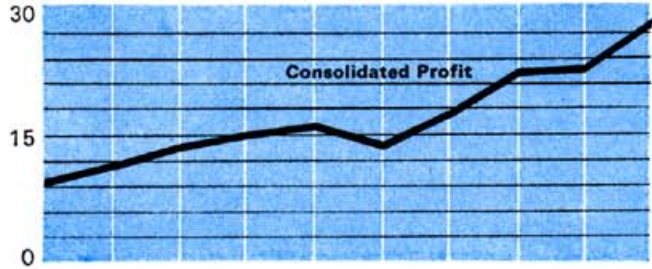
Amounts in \$A'millions									
87.8	91.3	118.2	136.9	178.1	214.0	236.2	302.7	458.1	527.6
102.9	111.4	140.7	163.0	208.3	250.9	279.2	357.7	538.5	622.5

Amounts in NZ\$millions									
41.1	53.1	65.8	78.3	88.5	88.3	94.2	112.5	114.4	124.9
3.7	4.8	5.9	8.2	11.3	12.2	17.0	23.6	31.2	38.4

1966 67 68 69 70 71 72 73 74 75

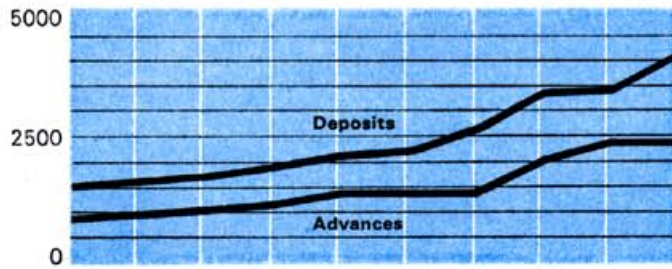
**Company & Subsidiaries**

Consolidated profit  
 Paid up capital  
 Shareholders' funds  
 Total consolidated assets



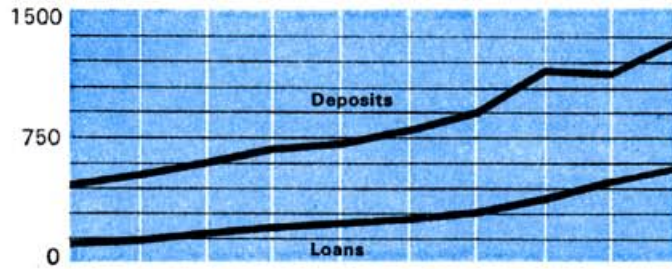
**Trading Bank**

Deposits and other accounts  
 Advances, loans, etc.



**Australian Savings Bank**

Deposits and other accounts  
 Loans and other accounts



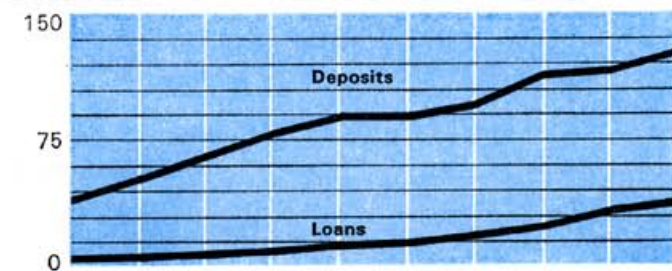
**Esanda**

Total borrowings  
 Total assets



**New Zealand Savings Bank**

Deposits and other accounts  
 Loans and other accounts



1966 67 68 69 70 71 72 73 74 75

# Principal Establishments

## Administrative Headquarters

351 Collins Street, Melbourne, Victoria

Managing Director : C. H. Rennie

Chief General Manager : M. Brunckhorst

General Managers :

T. M. Williamson *Branch Banking*

J. D. Milne *Corporate Banking*

Assistant General Managers :

R. T. Brunskill, R. W. Davidson

K. E. Hill *General Manager, Esanda Ltd.*

J. H. L. Holberton *General Manager, International*

A. G. Kilpatrick, J. C. Paton, V. F. Paul, K. O. Wilks

## Administrative and Registered Offices, London

71 Cornhill, London, EC3V 3PR

Executive Director : R. C. Wheeler-Bennett

Secretary : R. H. White

Group Accountant : S. Cumberland

## Victoria

Administrative Offices :

287 Collins Street, Melbourne

State Manager : W. F. Hall

Principal Banking Offices in Melbourne :

388 Collins Street

Manager : F. A. Etherton

394 Collins Street

Manager : G. R. Stevens

Royal Bank Branch, 293 Collins Street

Manager : C. W. McInnes

Stock Exchange Branch, 351 Collins Street

Manager : J. W. Keck

## New South Wales

Administrative Offices :

20 Martin Place, Sydney

Assistant General Manager and State Manager :

M. T. Sandow

Principal Banking Offices in Sydney :

King and George Streets

Manager : A. A. Watts

Martin Place and George Street

Manager : E. B. Povey

Pitt and Hunter Streets

Manager : E. F. Southwood

## Australian Capital Territory

Principal Banking Office in Canberra :

Alinga Street and Ainslie Avenue

Manager : J. R. Carey

## Queensland

Administrative Offices :

406 Queen Street, Brisbane

State Manager : K. A. Esdale

Principal Banking Office in Brisbane :

Queen and Creek Streets

Manager : J. R. Quirk

## South Australia

Administrative Offices :

75 King William Street, Adelaide

State Manager : K. G. Crellin

Principal Banking Office in Adelaide :

King William and Currie Streets

Manager : G. M. Salthouse

## Western Australia

Administrative Offices :

84 St. George's Terrace, Perth

State Manager : C. J. McCubbing

Principal Banking Office in Perth :

84 St. George's Terrace

Manager : M. A. Gauntlett

## Tasmania

Administrative Offices :

86 Collins Street, Hobart

State Manager : H. V. Newcombe

Principal Banking Office in Hobart :

103 Macquarie Street

Manager : G. F. Leamon

## Northern Territory

Main Banking Office :

43 Smith Street, Darwin

Manager : J. C. Hammer

### **New Zealand**

Administrative Offices :  
196 Featherston Street, Wellington  
New Zealand General Manager : K. R. Porter

Principal Banking Offices :  
Wellington  
Lambton Quay and Featherston Street  
Manager : T. N. Bright

Auckland  
Queen and Victoria Streets  
Manager : J. A. Mace

Christchurch  
85 Hereford Street  
Manager : J. S. Clark

Dunedin  
Princes and Liverpool Streets  
Manager : R. J. Hogan

### **Papua New Guinea**

Administrative Offices and Main Banking Office :  
A.N.G. House, Hunter Street, Port Moresby  
Chief Manager : T. A. Wightman

### **Pacific Islands**

Administrative Offices :  
351 Collins Street, Melbourne  
Regional Manager : A. E. Higgins

Main Banking Offices :  
Fiji—Suva  
Victoria Parade  
Manager : J. H. Garland

Solomon Islands—Honiara  
Mendana Avenue  
Manager : P. K. Treleaven

New Hebrides—Vila  
Rue Higginson  
Manager : R. D. Long

### **Hong Kong**

Representative Office :  
Room 811, Hutchison House, Harcourt Road,  
Central, Hong Kong  
Representative : B. R. Mulligan

### **Japan**

Representative Office :  
Room 1109, New Yurakucho Building,  
12-1 Yurakucho, 1-Chome,  
Chiyoda-ku, Tokyo  
Representative : J. S. L. Hardie

### **North America**

Representative Office :  
63 Wall Street, New York  
Representative : B. D. Christensen

### **Singapore**

Representative Office :  
Suite 601, Sixth Floor, Ocean Building,  
Collyer Quay, Singapore 1  
Representative : R. C. Thomas

### **United Kingdom and Europe**

Administrative Offices :  
71 Cornhill, London, EC3V 3PR  
Chief Manager in London : N. V. Pinks  
Deputy Chief Managers : C. H. Bennett, R. W. J. Horne

Principal Banking Office in London :  
71 Cornhill, London, EC3V 3PR  
Manager : J. D. Sanders

### **Share Registers**

Share Registers are maintained at Administrative Offices in London, Melbourne, Sydney, Brisbane, Adelaide, Perth, Hobart and Wellington, and at the Principal Banking Office in Canberra.

# Group Services

## Branch Banking

### Personal

Cheque accounts.  
Interest bearing term deposit accounts.  
Savings Investment accounts.  
Interest bearing savings accounts for individuals, clubs etc.  
Trust accounts.  
Christmas Club and other special purpose savings schemes.  
Personal loans/overdrafts.  
Loans for housing.  
Loans for semi-government instrumentalities, municipal bodies and schools.  
Bankcard.  
Safe custody of documents and valuables.  
Night safe and safe deposit facilities.  
Periodical payments—domestic and overseas.  
Cash dispensing machines.  
Travellers' cheques.  
Provision of foreign currency, money transfers.  
Deduction-from-wages savings schemes.  
Savings bank agents in local retail centres.  
Comprehensive travel service.  
Migrant Advisory Centres in Australia and New Zealand.  
Migrant services in the United Kingdom and Europe.

### Commercial

Negotiable and convertible certificates of deposit.  
Commercial/documentary letters of credit.  
Commercial bill financing.  
Bill collection/discounting and negotiation.  
Foreign exchange dealings and forward exchange contracts.  
Bridging finance.  
Term loans.  
Farm development loans.  
Leasing.  
Economic research and information service.  
Introductions to overseas parties for trade purposes.  
Information on Government assistance to exporters.  
Economic and business advisory services covering mining, rural and industrial undertakings.  
Payroll services and direct crediting of salaries.  
Merchant banking associate.

## Corporate Banking

Corporate account management.  
Financing of international trade.  
Provision of euro-currency and foreign currency finance.  
Advice on import and export procedures.  
Overseas remittances.  
International consortia financing.  
Business development and trade enquiry services.  
Oil and minerals services.

## Investment

Nominee services.  
Portfolio management.  
Public retirement funds for employees and self-employed.  
Management of company superannuation funds.  
Bearer Depository Receipt service to facilitate dealings in Australian securities in the United Kingdom.  
Registrar services.  
Purchase and sale of investments.  
Issue of debentures and unsecured notes in wholly owned subsidiary companies.  
Investment of short, medium and long term funds.  
Banker to public loans and share issues.

## Esanda—Finance

Instalment credit plans.  
Hire purchase for motor vehicles, capital goods, machinery.  
Leasing of motor vehicles and industrial plant.  
Real estate, housing finance.  
Business loans for expansion projects or working capital.  
Discounting.

