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**Australia and New Zealand  
Banking Group Limited**

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**Report and Accounts 1978**

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# Financial Calendar

## Results

First half:	Announced 15th May, 1978
Full year:	Announced 20th November, 1978
Report and accounts:	Circulated 18th December, 1978
Annual General Meeting:	To be held 15th January, 1979

## Dividends

Interim:	Announced 15th May, 1978 Paid 7th July, 1978
Recommended final:	Announced 20th November, 1978 To be paid 25th January, 1979

# Australia and New Zealand Banking Group Limited

(INCORPORATED IN VICTORIA)

## The Year in Brief

Profit and Loss	1978	1977	Change %
Profit before extraordinary items	<b>61,443,000</b>	43,717,000	+40.5
Profit including extraordinary items	<b>64,716,000</b>	44,850,000	+44.3
Trading Bank net profit, excluding dividends	<b>18,661,000</b>	10,907,000	+71.1
Australian Savings Bank net profit	<b>13,502,000</b>	9,972,000	+35.4
Esanda net profit	<b>25,317,000</b>	20,215,000	+25.2
Earnings per share (on average issued capital)	<b>73.1c</b>	65.6c	+11.4
Dividends	<b>19,265,000</b>	13,940,000	+38.2
Dividends per share	<b>20.0c</b>	20.0c	
Dividend cover	<b>3.2</b>	3.1	
Return on shareholders' funds	<b>15.3%</b>	13.4%	

## Balance Sheet

Issued Capital	<b>101,397,000</b>	72,105,000	+40.6
Shareholders' funds	<b>401,736,000</b>	324,977,000	+23.6
Total assets	<b>11,055,535,000</b>	9,534,189,000	+16.0
Total deposits and other accounts	<b>7,979,317,000</b>	7,076,732,000	+12.7

## Spread of Assets at 30th September

	1978	1977
	%	%
Australia	<b>79.1</b>	81.0
New Zealand	<b>11.4</b>	10.0
United Kingdom	<b>5.1</b>	6.0
United States of America	<b>3.4</b>	2.0
Papua New Guinea	<b>0.5</b>	0.5
Other	<b>0.5</b>	0.5
	<b>100.0</b>	100.0

## The Organisation at 30th September

	1978	1977
Number of shareholders	<b>24,400</b>	23,619
Number of employees	<b>20,734</b>	21,179
Number of branches, sub-branches, agencies and representative offices	<b>1,279</b>	1,291

## Directors

## Senior Management

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Sir Ian McLennan, K.B.E.  
(Chairman)  
M. Brunckhorst  
(Managing Director)  
The Hon. E. L. Baillieu  
C. J. Harper  
W. J. Holcroft  
Sir John Holland  
M. W. Jacomb  
Angus Mackinnon, D.S.O., M.C.  
G. M. Niall  
L. M. Papps  
The Right Hon. Lord Remnant  
Sir William Vines, C.M.G.  
T. M. Williamson  
D. C. L. Gibbs (alternate director)

### Secretary

L. C. Graham

### Controller

D. Nicolson

### Administrative Headquarters and Registered Office

55 Collins Street,  
Melbourne, Victoria, 3000  
Telephone: 658 2955

### Solicitors

Blake & Riggall

### Auditors

Peat, Marwick, Mitchell & Co.

### Managing Director

M. Brunckhorst

### General Managers

Branch Banking:  
T. M. Williamson

Corporate Banking:  
J. D. Milne

### Assistant General Managers

Organisation and Personnel Services:  
R. Ashton

Services:  
R. T. Brunskill

General Manager, Esanda Limited:  
K. E. Hill

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

Funds Management:  
A. G. Kilpatrick

Corporate Accounts:  
C. W. McInnes

State Manager, N.S.W.:  
M. T. Sandow

Planning and Group Finance:  
K. O. Wilks

# Notice of Meeting

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Notice is hereby given that the tenth Annual General Meeting of Australia and New Zealand Banking Group Limited will be held at the 4th Floor, 380 Collins Street, Melbourne, on Monday, 15th January, 1979, at 11.30 a.m. for the following purposes:—

1. To receive and consider the financial accounts of the Company together with the Group accounts of the Company and its subsidiaries for the year ended 30th September, 1978 and the reports of the directors and auditors thereon.
2. To declare a final dividend for the year ended 30th September, 1978 as recommended by the directors and payable to members entered on the register as at 3rd January, 1979.
3. To elect directors:  
The Hon. E. L. Baillieu, Mr. W. J. Holcroft and Sir William Vines retire by rotation in accordance with the Company's articles of association and, being eligible, offer themselves for re-election. Mr. T. M. Williamson, who was appointed a director during the year, is also required to retire in accordance with the Company's articles of association and, being eligible, offers himself for re-election.
4. To transact any other business which may be brought forward in conformity with the articles of association.

By Order of the Board,  
**L. C. Graham**, *Secretary*,  
Melbourne.

4th December, 1978.

## Information for Shareholders Share Register

The transfer books of the Company will be closed at 5 p.m. on 3rd January, 1979, to determine members' entitlements to the dividend.

## Proxies

A member entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend and vote instead of the member. Where more than one proxy is appointed, each proxy must be appointed to represent a specific proportion of the members' voting rights. A proxy need not be a member of the Company. A form of proxy is enclosed.

In order to be valid, forms of proxy (properly completed) must be lodged at the respective offices of the Company referred to below not less than 48 hours before the time appointed for the meeting.

- (i) In the case of members registered on any of the Australian Registers of the Company, at the Transfer Office of the Company at 55 Collins Street, Melbourne, Victoria, Australia;
- (ii) In the case of members registered on the New Zealand Register of the Company, at the Branch Share Register Office of the Company at 196 Featherston Street, Wellington, New Zealand;
- (iii) In the case of members registered on the London Register of the Company, at the Branch Share Register Office of the Company at 71 Cornhill, London EC3V 3PR, England.

Where a member wishes to appoint a second proxy a further form of proxy will be required and may be obtained on application to the Company.

## Nomination of Director

The closing date for the receipt of nominations for the office of director is 3rd January, 1979, and to be effective nominations must be lodged with the secretary at the Registered Office of the Company in Melbourne by that date.

## Notice

In the past, to comply with Clause 16 of the Company's Listing Agreement with the London Stock Exchange, and to preserve the directors' full discretion with regard to issue of shares, it has been necessary to have the Company in general meeting annually resolve that the directors may, in their discretion, issue for cash, shares in the Company, other than to members, in proportion to their shareholdings, up to a limit of ten per cent of the nominal amount of the issued capital of the Company.

However, the London Stock Exchange has now waived the requirements of Clause 16 and the directors' discretion in the matter is exercisable within the limitations imposed by the Official List Requirements of the Australian Associated Stock Exchanges and within the powers conferred on the directors by the articles of association of the Company.

## Directors' Report



Sir Ian McLennan



M. Brunckhorst

The Directors of Australia and New Zealand Banking Group Limited have pleasure in presenting the Annual Report and the audited accounts for the year to 30th September, 1978.

One of the most noteworthy events during the year was the Bank's move, over August-September, 1978, into its new Administrative Headquarters in ANZ Tower, part of the big Collins Place project at the eastern end of Collins Street, Melbourne. Occupancy has brought together under one roof about 900 staff previously spread over six buildings.

The transfer of the Bank's domicile from England to Australia, completed on 30th September, 1977, has been marked by a steady increase in the proportion of our shares registered in Australia. At 31st October, 1978, 62.4 per cent of the shares were registered in Australia, compared with 50.8 per cent a year earlier and only 3 per cent at the time the transfer of domicile was announced, in April, 1976; 36.1 per cent of the shares remain registered in the United Kingdom and 1.5 per cent in New Zealand.

To help the Board discharge its responsibilities, an audit committee was formed during the year. It comprises Sir William Vines (chairman), Mr. G. M. Niall, Mr. W. J. Holcroft and the Right Hon. Lord Remnant.

The growth of our international operations has continued with the establishment in Hong Kong of ANZ Finance (Far East) Limited.

### The Year's Results

The consolidated operating profit, after tax, was \$61,443,000, an increase of 40.5 per cent compared with the profit of \$43,717,000 in 1977. Management and staff can justifiably feel proud of this excellent result, to which every section of our operation contributed.

Consolidated net profit, after allowing for extraordinary items, totalled \$64,716,000, 44.3 per cent higher than the 1977 figure of \$44,850,000.

Profit increases were achieved by all major subsidiaries in the latest year. These factors contributed to the Group result:

- the increased proportion of total assets employed in loans and advances
- the lower level of Statutory Reserve Deposits
- a lower percentage of deposits bearing interest
- increased earnings from lines of credit and higher commercial bill activity
- greater recovery of costs through fees and commissions
- improved earnings from operations in the United States and New Zealand
- the good profit increase by the Australian Savings Bank, reflecting deposit growth and an increased volume of housing lending
- the improved results of Esanda
- improved cost control

The Trading Bank profit, excluding subsidiary company

dividends, increased by 71.1 per cent from \$10,907,000 to \$18,661,000. The Savings Bank in Australia achieved a 35.4 per cent increase to \$13,502,000 and the New Zealand Savings Bank had a sharp 90.8 per cent profit increase to NZ\$1,135,000.

Esanda, our Australian finance subsidiary, boosted profits by 25.2 per cent to \$25,317,000. Consolidated profits included the Group's share of 12 months' profits of the UDC finance group in New Zealand (NZ\$1,101,000), compared with a six months' share in 1977 (NZ\$584,000). As recorded later in this report, our shareholding was reduced during the year.

In our preliminary profit statement on 20th November, 1978 it was also announced that the consolidated operating profit had been determined after transfers to Contingencies Reserves of \$9 million for the Trading Bank and \$5.5 million for the Australian Savings Bank.

Comparative details of operating profit before transfers to Contingencies Reserves are:

	1978 \$'000	1977 \$'000	Increase \$'000	%
Trading Bank	27,661	16,107	11,554	71.7
Australian Savings Bank	19,002	14,072	4,930	35.0
Consolidated (excluding minority interests)	75,943	53,017	22,926	43.2

Contingencies Reserve balances at 30th September, 1978 were: Trading Bank, \$100,881,000 and Australian Savings Bank, \$32,800,000. In addition, specific provisions of the Trading Bank at 30th September, 1978 not previously disclosed were:

Provision for Long Service Leave	\$47,026,000
Provision for Non-lending losses	\$2,280,000

The Federal Treasurer announced on 17th September, 1978, that the major Australian banks would adopt new procedures in reporting their trading results, to include details of some previously undisclosed inner reserves, starting with their profit announcements for the first half of 1978-79. ANZ has decided on earlier disclosure, as have the other members of the banking industry, and this ensures that the share market is as fully informed as possible about the banks' financial standing.

Although justifiable arguments can be advanced for the maintenance of undisclosed contingency reserves in the banking industry, we welcome the new disclosure procedures as this is an objective the major banks, in conjunction with the authorities, have been working towards for some years. The change is in line with modern social trends, which call for more open accountability by those entrusted with the management of public funds.

### Dividends

The Board recommends that a final dividend for the year of 11 cents per share be paid on 25th January, 1979 to shareholders registered in the books of the Bank at the close of business on 3rd January, 1979.



The Hon. E.L. Baillieu



C.J. Harper



W.J. Holcroft



Sir John Holland

An interim dividend of 9 cents per share was paid on 7th July, 1978 on the capital of \$90,130,918. The additional 11,266,365, \$1 shares issued in the one-for-eight premium cash issue announced in June, 1978, will participate fully in the final dividend for the current year.

The interim dividend, together with the proposed final dividend, totals 20 cents a share for the year. This compares with 20 cents a share in the previous year, on lower paid-up capital. The 1977-78 distribution will require \$19.26 million, compared with \$13.94 million in 1976-77.

For shareholders resident outside Australia, the final dividend is subject to Australian withholding tax, deductible at source. United Kingdom-resident shareholders on the London register will be paid the sterling amount subject to a further deduction (currently 18 per cent) in respect of United Kingdom tax. The final dividend payable to shareholders on the London and Wellington registers will be converted at the exchange rate current on 3rd January, 1979.

### Operations

The higher profits earned in 1978 may well lead to assumptions that ANZ has been advantaged by the level of interest rates maintained during the year and that earlier and more positive reaction to Government initiatives for reduction in lending rates may have been warranted. Such suggestions would assume, incorrectly, that there is a direct relationship between the absolute level of bank profits and the level of interest rates.

It is worth noting that the factors listed in "The Year's Results" section of this report as providing the main contributions to our profit improvement in 1977-78 generally bear little direct relationship to the level of interest rates in Australia during the year.

The reality has been that the commendable objectives of the Federal Government to reduce interest rates have not been without problems for the banks. While successful in influencing rates downwards in the medium to longer term sectors, by management of the rates for government securities, the situation at the shorter end of the market has been more intractable. Liquidity has not been easy through 1978 and holders of government paper have been active competitors for short funds to maintain their portfolios in the expectation of further rate reductions.

The banks, in support of their lending obligations, are required to compete actively for short funds for a substantial part of their deposits. Given the firm rates offered for short deposits and the cost disadvantages of Statutory Reserve Deposit (SRD) and liquid assets — Government securities (LGS) requirements, the banks have seen little downward movement in the cost of their funds and their capacity to reduce their lending rates has been inhibited. Nevertheless, the banks have co-operated with the authorities in reducing

their rates and by acting in the role of catalyst for other market sectors.

Whatever the capacity to absorb interest rate adjustments, the concern of the banks is more deep seated. Already operating in the cheaper end of the lending market, the competitive position of banks is being eroded vis-a-vis other intermediaries as ad hoc adjustments are made to rates which do not necessarily reflect market forces. The benefits of lower interest rates become somewhat illusory if the end result is to reduce the capacity of the cheaper lenders to support economic activity and to force borrowers into the more expensive end of the market. For example, the arbitrary ceiling on the rate for loans up to \$100,000 prejudices the advantages of the overdraft system. The proclivity of banks to move smaller loans to the higher rate categories of Bankcard, personal loans, etc. has been subject to public comment. In this respect, the market is at work. If banks find it unprofitable to make smaller loans at the controlled rates, borrowers will look elsewhere. In the alternative markets, rates charged are higher than paid for bank personal loans and Bankcard facilities. In that banks also are able to offer these alternative sources of finance on more attractive terms, the borrowers can exercise a choice. The growth in the outstandings in these areas reflects the acceptance by the public of the relatively cheaper alternatives that banks offer.

In the savings banks area, the trend is of particular concern. Savings banks have been losing "market share" at a steady pace in recent years. With their lending rates controlled, they have been unable to match the rates paid for deposits by other intermediaries, particularly the permanent building societies, which operate largely free from official restraints. The capacity of the savings banks to support the important housing and semi-government sectors is being eroded. Recognition of this situation was forthcoming in the 1978 Budget, with a relaxation of the prescribed assets ratio and a commitment to further examination of the problem. The subsequent contraction of the saving banks' lending and borrowing rates in response to government pressures, not matched proportionately by most building societies, is a contradiction in terms of policy and exacerbates an already untenable long term trend.

We believe it is essential in the national interest that Australia should have a strong and profitable banking sector. Banks' capital resources must maintain pace with the growth of the demands made upon them due to inflation and the need to support expanding economic activity. This is possible only if profits are sufficient to reward investors adequately, to encourage further capital subscriptions and provide for retentions at reasonable levels. To develop and maintain these qualities, banks must be truly competitive with non-bank financial institutions.

Our bank would welcome an inquiry into the Australian capital market, particularly if its terms of reference were



M.W. Jacomb



Angus Mackinnon



G.M. Niall



L.M. Papps

broad enough to encompass the issues discussed above. We acknowledge the need for a degree of official control over financial institutions as a means of implementing monetary policy. However, we are concerned to ensure that controls should be designed to a far greater degree than at present to give the greatest encouragement to low cost, efficient providers of credit.

### Trading Bank in Australia

During the latest year, the major trading banks continued to operate under lending restrictions. For some months until December, 1977, there was a fairly liberal official interpretation of the lending guidelines. But when this was reflected in strong increases in the levels of new lending, the banks were asked to restrain the growth rate.

The Bank's average advances outstanding rose by 10.3 per cent (to \$2,597 million) during the year, compared with an increase of 12.9 per cent in the previous year. Total average deposits rose only 0.5 per cent (to \$3,496 million) compared with an increase of 13.5 per cent in the previous year. The proportion of total average deposits bearing interest eased from 61.7 per cent to 60.2 per cent, reversing the steady upwards trend of previous years.

ANZ Bankcard has continued to expand steadily. Turnover in merchandise sales and cash advances has shown a most satisfactory growth rate, despite the depressed level of retail sales. Negotiations are continuing for the extension of Bankcard facilities through affiliation with overseas credit card groups.

Marketing of insurance services, underwritten by the Commercial Union Assurance Company of Australia, is proceeding satisfactorily. Some 90 per cent of Australian branches are now earning commission on Insuranz policies and more than 3,000 staff had taken out 10,782 Staffpak policies by September, 1978. The Bank plans to begin marketing similar services in New Zealand during the first quarter of 1979.

At 30th September, 1978, the Bank had 671 branches with accounts processed by computer, compared with 601 a year earlier. During the year, computing facilities were provided to our offices in the United Kingdom, New York, Los Angeles and Hong Kong, to handle international foreign exchange and fixed loan dealings.

Steady progress has been made in upgrading security equipment and installing bullet-resistant glass at branches. The substantial costs involved are unwelcome, but while crimes involving robbery and burglary continue at the present level the protection of our staff is paramount and resources are being committed freely to that end.

### Savings Bank in Australia

Average deposits of our savings bank rose by 9.8 per cent in

the latest year, compared with a 12.0 per cent increase in the previous year.

Deposit growth was supported in October and November, 1977 by a temporary loss of confidence in building societies, particularly in Queensland. Reductions in personal income tax in February, 1978 also appear to have been channelled mainly into savings. In addition, Australian Savings Bonds have provided less competition for deposits than in the previous two years, due to a gradual reduction in the interest rate offered and low profile promotion. This government instrument nevertheless is a strong competitor for small savings, with a seemingly higher than requisite rate margin over alternative private sector investments.

In the 1978 Federal Budget the proportion of savings banks' assets prescribed for investment in Government securities and other liquid assets was reduced from 45 per cent to 40 per cent. This effectively allowed savings banks to direct more funds into housing. Our Savings Bank was quick to capitalise on this situation and has conducted a successful campaign to attract more customers seeking home loans.

### Esanda Limited

Profit after tax of our wholly-owned finance subsidiary reached a new peak of \$25,317,000. This was an increase of 25.2 per cent on the profit of \$20,215,000 for the previous year, and followed a growth of 20.5 per cent in average net receivables. This can be regarded as a satisfactory result in Australia's subdued economic climate. Competitive pressures on margins were severe and the incidence of bad debts was considerably higher than in recent years.

Interest rates generally were lower, with lending rates moving down more than borrowing rates. Net bad and doubtful debts represented 0.47 per cent of net outstandings at year end and were well spread.

Net receivables at 30th September, 1978 were \$1,199.6 million, including hire purchase \$360.2 million, leasing \$484.3 million and commercial/real estate loans of \$145.4 million.

After payment of a dividend of \$8,750,000, representing 15.22 cents per share, to the parent trading bank, shareholders' funds at 30th September, 1978 totalled \$133.6 million. Paid-up capital was unchanged at \$57.5 million.

### Trading Bank in New Zealand

An acceleration of Government spending from late 1977 boosted the rate of growth of trading bank deposits. In the year to September, 1978, ANZ average trading bank deposits rose 15.0 per cent to NZ\$770 million, compared with an increase of 19.5 per cent for the previous year.

With the level of domestic activity declining through the second half of 1977 and into 1978, and with company liquidity improving as stocks were adjusted, the demand for





The Right Hon. Lord Remnant



Sir William Vines



T.M. Williamson



D.C.L. Gibbs

trading bank finance fell sharply. ANZ total average lending in the year to September, 1978 grew by only 14.6 per cent (to NZ\$561 million) compared with an increase of 28.3 per cent in the previous year.

### Savings Bank in New Zealand

The most significant event of the year was the announcement in September, 1978, that the private savings banks could now invest in other than 3.75 per cent Government stock in satisfying their Government security requirement against ordinary 3 per cent deposits. As in Australia, we look forward to the abolition of other restrictions which hinder our ability to compete fairly for small savings. Average deposits of our Savings Bank rose by 13.4 per cent to NZ\$165 million during the year compared with an increase of 10.5 per cent in the previous year.

### Other Financial Interests

The Bank's interest in UDC Group Holdings Limited, the publicly-listed New Zealand finance group, was reduced from 72 per cent in 1977 to 64.04 per cent at 30th September, 1978, by the placement of 860,000 shares with New Zealand investors. This was in accord with the desire of the Bank and the New Zealand authorities that the New Zealand public should have the opportunity of increasing their interest in the UDC group as circumstances permitted. Despite difficult trading conditions, the UDC group completed a successful year to 31st March, 1978, lifting net profit by 23.8 per cent to NZ\$1,810,000, from NZ\$1,462,000 in 1976/77.

Australian International Finance Corporation Limited, the Melbourne-based merchant bank in which the bank has a 25 per cent interest, lifted net operating profit by 45.7 per cent from \$1,095,000 to \$1,596,000 in the year to 30th June, 1978. No dividend was declared. This interest is in association with three major overseas banks.

Australia and New Zealand Banking Group (PNG) Limited, the bank's Papua New Guinea subsidiary, lifted net operating profit by 18.4 per cent from K450,257 to K533,077 in the year under review.

In August, 1978, the Bank established a new Hong Kong subsidiary, ANZ Finance (Far East) Limited. We have had a representative office in Hong Kong since 1974, but the new subsidiary is the first to be registered by an Australian bank under Hong Kong law as a deposit-taking company equipped to handle all financial aspects of international trade transactions. Initial trading results of the new company have been encouraging.

### Europe

There was a more stable environment in the United Kingdom and Europe in 1977-78. The Euro-currency market was very

liquid and, as a consequence, margins were reduced to extremely fine levels.

In London, sterling interest rates declined from the high levels of the previous year. During the second half of the year, increasing concern over money supply led the government to re-impose the supplementary deposits scheme. This restricted our ability to write sizeable new sterling business.

The above factors and depressed world markets squeezed the profitability of our London operation. Nevertheless, there was a worthwhile contribution to Group profits.

The Bank is well placed to play an active role in arranging Euro-currency finance for projects being brought to the market by Australian and New Zealand companies and statutory corporations.

### Representation

During the year under review, seven branches were opened and 16 closed, 12 as a result of mergers. In addition, 10 uneconomical sub-branches and agencies were closed and eight opened in potentially profitable areas. A total of 249 points of representation have been merged since the ANZ/ES&A merger in 1970.

During the year, two Melbourne principal banking offices, at 351 and 394 Collins Street, were closed and the business transferred to 388 Collins Street branch and surrounding Area Banking centres. The Bank's half share in the 351 Collins Street building was sold in October, 1978, for \$4,075,000; 394 Collins Street and adjoining premises will be offered at auction in December, 1978. On 4th September, 1978, the major new Collins Place branch opened in ANZ Tower, absorbing the former 75 and 95 Collins Street branches.

The Area Banking concept has been extended further throughout Australia and New Zealand. At 30th September, 1978, there were 42 fully operational Areas, covering 640 branches.

### The Australian Economy

As in the previous year, official economic policies in 1977-78 were based on monetary restraint, with the main aim of further reducing the rate of inflation. The Budget injected more than the expected monetary stimulus into the economy, with the deficit expanding to \$3.3 billion from the \$2.2 billion projected.

As part of its policy, the Government set a target growth rate of 8-10 per cent in money supply (M3) for 1977-78. The outcome for the year was M3 growth of 8 per cent, and a rise of only 7.9 per cent in the Consumer Price Index over the year to September, 1978, compared with 13.1 per cent rise in the previous year.

Other features of 1977-78 were subdued growth in total real private consumption spending and negligible growth in total real capital spending. The most worrying feature was a

further increase in the number of unemployed — for the fifth year in succession. In October, 1978, unemployed were estimated by the Australian Bureau of Statistics at 368,200, or 5.8 per cent of the labour force.

Official policy actions designed partly to avoid undue financial stringency as the year progressed, included:

- frequent small adjustments to prevent the Australian dollar from sharply appreciating against the weakening United States dollar.
- the progressive reduction in the proportion of trading bank deposits "frozen" in the Reserve Bank's Statutory Reserve Deposit account, from 6.5 per cent to 3.5 per cent between April and September, 1978.
- the reduction in the savings bank prescribed assets ratio.

Reducing interest rates in Australia was a central objective of official economic policy in 1977-78. The Government was the pace-setter, and yields on official securities were reduced progressively. Long-term bond rates fell from 10.2 per cent to 8.8 per cent between September, 1977 and November, 1978. The two-year bond rate fell from 9.7 per cent to 8.6 per cent over the same period. Private debenture rates also fell considerably, but short-term private rates remained at relatively high levels until after the June, 1978 quarter tax payment period. Even then, the downturn in rates was effectively halted during the seasonal tightening in August, caused by company tax instalments and record Commonwealth loan subscriptions.

Banks participated in the Government-inspired programme of interest rate reductions. The interest rate ceiling on savings bank housing loans, which is subject to official regulation, was lowered by 0.5 per cent to 10 per cent in February, 1978. A similar reduction was made in housing loans financed by the trading banks. Then early in November, 1978 the trading banks announced reductions of 0.5 per cent in interest rates charged on overdrafts of less than \$100,000 and on some other loan categories. At the time of writing, a further initiative is in progress to bring housing loan rates down by another 0.5 per cent. Additionally, in ANZ, overdraft rates charged to larger customers in the uncontrolled area (over \$100,000) have been reduced, in most cases, by 0.5 per cent. Interest rates on most categories of bank deposits also were reduced in 1978.

### The New Zealand Economy

The problem of inflation eased in the year under review, with the rate of increase in consumer prices down from 14.5 per cent to 11.1 per cent. However, the balance of payments position worsened, as an improvement of about NZ\$200 million in the overseas trade balance was more than offset by the increase in the deficit on "invisible" transactions. In addition, unemployment increased three-fold over the year. The number registered as unemployed or on special work schemes totalled 49,600 at the end of September, 1978 — about 4 per cent of the total labour force.

Economic activity fell sharply in the second half of 1977. In response, the Government adopted strongly expansionary policies increasing its own spending, reducing tax rates and relaxing credit controls. In response to this stimulus, the domestic economy started to recover about the second quarter of 1978.

### Staff

The Board wishes to acknowledge the significant contribution by the staff towards the Bank's continued progress. The excellent profit results from all areas of the Group's operations in the year under review show what can be achieved by conscientious staff and effective

management working together for the benefit of the Bank and thus themselves.

Staff at 30th September, 1978 totalled 20,734, compared with 21,179 a year earlier.

Anti-discrimination and other legislation will continue to influence the management of our personnel resources for some time. In recognition of these and other social, economic and legislative changes, every effort has been made to ensure that career opportunities are maintained and, where possible, improved. In this regard, there has been considerable enhancement in personnel identification, placement and progression policies. Further review and development of policies will continue to ensure that a sophisticated approach to personnel management is maintained.

The Bank remains a major source of employment for young people entering the work force. In the year to September, 1978 recruitment totalled 2,794.

The Bank is continuing to extend its substantial capital investment in data processing and other equipment that can perform better than traditional manual methods. Economic logic dictates that industry must accept and maximise the use of the latest technology. This will create problems of adjustment which must be solved in consultation with the employees and their Union. The extent to which machines can replace people in banking has been exaggerated. A substantial degree of personal involvement will always be necessary.

### Outlook

Some of the factors that contributed to the buoyant profit result for the year just completed are likely to recur in the year ahead. In particular, we will be striving to direct an even greater proportion of total assets into loans and advances and to further improve our cost control procedures. In addition, we can expect continued expansion of lending for housing by our savings bank in Australia.

Against this in our largest market, Australia, it is obvious that we will face a challenge to maintain interest margins at an acceptable level. Lending rates have been reduced in both the trading and savings banks and the extent to which compensation can be obtained by reduction in the rates we pay for deposits, largely determined by market forces, will dictate whether the interest return can be sustained.

Another major influence on our bank's results in the period ahead will be the state of the economies of the main countries where we conduct business, and here again the outlook is uncertain.

In Australia there are many signs of improving economic activity and modest growth in real terms is anticipated. However, difficult conditions seem likely to persist for some time. Present Government policies aimed at further reducing inflation, restoring stability to the balance of payments and encouraging capital investment are seen to be setting the basis for an improved economic climate in the longer term. Much will depend on overseas trends, particularly in the USA and Japan.

Our bank is well placed to advance, with its steadily growing range of financial services and expanding points of international representation. There are good grounds for an expectation of further satisfactory results in the year ahead.



Chairman



Managing Director

## Additional Statutory Information

The following additional information is provided in conformity with Section 162A of the Companies Act 1961 as amended and with the Listing Requirements of the Australian Associated Stock Exchanges.

The directors of Australia and New Zealand Banking Group Limited at the date of this report are:

Sir Ian McLennan, K.B.E. (Chairman)  
 M. Brunckhorst (Managing Director)  
 The Hon. E. L. Baillieu  
 C. J. Harper  
 W. J. Holcroft  
 Sir John Holland  
 M. W. Jacomb  
 Angus Mackinnon, D.S.O., M.C.  
 G. M. Niall  
 L. M. Papps  
 The Right Hon. Lord Remnant  
 Sir William Vines, C.M.G.  
 T. M. Williamson  
 D. C. L. Gibbs (alternate director)

In accordance with the Company's articles of association, The Hon. E. L. Baillieu, Mr. W. J. Holcroft and Sir William Vines retire from the board of directors at the forthcoming annual general meeting of shareholders and, being eligible, offer themselves for re-election. Mr. T. M. Williamson, who was 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.

### Activities

The principal activities of the companies in the Group during the year were trading and savings banking, hire purchase and general finance, mortgage and instalment loans, leasing, investment and portfolio management and advisory services, nominee and custodian services, travel services and international banking. Detailed activities/services are listed on the inside back cover of this report. No significant changes in the nature of the Group's activities have occurred during the year.

At 30th September, 1978, the Company and its subsidiaries had 1,279 branches, sub-branches, agencies and representative offices. These were geographically located as follows:

	Branches and Sub-Branches	Agencies
Australia	929	123
New Zealand	151	52
Papua New Guinea	6	1
Pacific Islands:		
Fiji	4	1
New Hebrides	1	
Solomon Islands	1	
United Kingdom:		
London	3	
Channel Islands	1	
United States of America:		
Los Angeles		1
New York		1
Hong Kong	1	
Representative Offices:		
Tokyo		
Singapore		
Manchester (UK)		

### Subsidiaries

The contributions made by all companies in the group to consolidated net profit (before extraordinary items), after eliminating inter-group dividends, are listed on page 34 of this annual report.

During the year Endeavour Investments (New Zealand) Limited sold 860,000 shares in UDC Group Holdings Limited at NZ\$1.50. This sale reduces the interest held by Australia and New Zealand Banking Group Limited from 72% to 64.04%.

On 23rd January, 1978, Britannia Investment Company Pty Limited changed its name to ANZ Finance (Far East) Limited and changed its principal activity from property owning to wholesale banking operations in Hong Kong.

### Associated Companies

On 11th August, 1978, the Company subscribed \$625,000 for \$1 fully paid shares in the Primary Industry Bank of Australia Limited. The Primary Industry Bank of Australia Limited was incorporated on 28th July, 1978, with the Federal Government, the seven major trading banks and four State Banks as shareholders; its main objective is the provision of long term loans to primary producers.

The Group is finalising negotiations for the purchase of 60,614 shares in Melanesia International Trust Company Limited from another shareholder. After the purchase the Group's shareholding will rise from 38.0 per cent to 44.1 per cent.

### Reserves and Provisions

The amounts and particulars of material transfers to or from reserves or provisions by companies in the Group other than transfers to contingencies reserves and provisions of banking companies during the year are as follows:—

	<b>\$'000</b>
<b>1. Banking companies*</b>	
Australia and New Zealand Banking Group Limited:	
Transfer to general reserve	22,000
Transfer to share premium reserve	19,262
Transfer from share premium reserve	
— bonus share issue	(18,026)
Australia and New Zealand Savings Bank Limited:	
Transfer to general reserve	7,500
Transfer from general reserve	
— Special dividend	(15,000)
<b>2. Non-banking companies</b>	
ANZ Savings Bank (New Zealand) Limited:	
Transfer to general reserve	918
ANZ Finance (Far East) Limited:	
Transfer to asset revaluation reserve	286
Transfer from asset revaluation reserve	
— bonus share issue	(286)
Transfer from property reserve	
— bonus share issue	(692)
ANZ Holdings Limited:	
Transfer to capital reserve	1,471
Transfer to provision for depreciation and amortisation	424
ANZ Investments Limited:	
Transfer to capital reserve	221
ANZ Properties (Australia) Limited:	
Transfer to provision for depreciation	1,591
ES&A Holdings Limited:	
Transfer to capital reserve	1,250
Transfer to provision for depreciation and amortisation	347
Esanda Limited:	
Transfer to general reserve	15,000
Transfer to provision for identified doubtful debts	800
Transfer to general provision for doubtful debts	1,000
Transfer to provision for depreciation	456
UDC Group Holdings Limited:	
Transfer to provision for depreciation	485
Endeavour Investments (New Zealand) Limited:	
Transfer to capital reserve	219

\*Prescribed companies as defined in section 167C of the Victorian Companies Act.

### Share and Debenture Issues

Particulars of shares and debentures issued by companies in the Group during the year are:—

1. Australia and New Zealand Banking Group Limited.  
In February, 1978, the company increased its authorised capital to \$125,000,000 by the creation of 25,000,000 shares of \$1 each.  
In March, 1978, 18,026,184 ordinary \$1 fully paid shares were issued by capitalising part of the share premium reserve. The shares were issued to holders of shares in the proportion of one new share for every four shares held.  
In July, 1978, 11,266,365 ordinary \$1 fully paid shares were issued at \$2.75 per share. The shares were issued to holders of shares in the proportion of one new share for every eight shares held. The issue was made to finance the continued growth in the operations of the Group.
2. UDC Group Holdings Limited  
In June, 1978, a one-for-two issue was made at N.Z.\$1.10 a share. The issue was made to provide funds for the group's continued growth. Endeavour Investments (New Zealand) Limited took up its full entitlement.
3. ANZ Finance (Far East) Limited  
In February, 1978, the authorised capital of the company was increased from 82,000 to 3,000,000 shares of \$1 each.  
In February, 1978, the company's asset revaluation reserve amounting to \$286,217 and property reserve amounting to \$692,388 were capitalised and 978,605 unissued shares of \$1 each in the capital of the company were allotted fully paid.  
In February, 1978, Australia and New Zealand Banking Group Limited subscribed for 503,395 \$1 fully paid shares which were issued to facilitate the company's growth.
4. Australia and New Zealand Banking Group (Channel Islands) Limited  
In September, 1978, the company made a bonus issue of 250,000 shares of £1 fully paid to Australia and New Zealand Banking Group Limited by way of capitalisation of unappropriated profits.

5. Esanda Limited and UDC Group Holdings Limited  
Details of debenture stock and unsecured notes movements during the year are:—

	Esanda Limited \$'000	UDC Group Holdings Limited NZ\$'000
Debenture stock and unsecured notes at beginning of financial year	887,726	46,619
Issued during year	332,314	63,384
	1,220,040	110,003
Redeemed during the year	144,778	37,548
Debenture stock and unsecured notes at end of financial year	1,075,262	72,455
Loans and deposits held at end of financial year	6,333	15,451
	1,081,595	87,906
	1,081,595	87,906

Exemption has been obtained from compliance with the requirements of sub-section 1(e) of section 162A of the Victorian Companies Act 1961 by order of the Commissioner for Corporate Affairs.

### Dividends

**Australia and New Zealand Banking Group Limited**  
The directors propose payment of a final dividend of 11 cents per share, amounting to \$11,153,701, to be paid on 25th January, 1979, and this will be recommended at the Annual General Meeting. Since the end of the previous year, a final dividend of 12 cents per share, amounting to \$8,652,568, was paid on 26th January, 1978 and an interim dividend of 9 cents per share amounting to \$8,111,783 was paid on 7th July, 1978. The final dividend paid on 26th January, 1978 was detailed in the directors' report dated 2nd December, 1977.

Neither the interim dividend paid on 7th July, 1978 nor the current dividend recommendation have been mentioned in previous directors' reports.

Dividends received, or due and receivable, by Australia and New Zealand Banking Group Limited from subsidiaries between the end of the previous financial year and the date of this report are as follows: —

	Date paid or to be paid	Amount \$'000
Australia and New Zealand Savings Bank Limited	26th Sep. 1978	4,750
Australia and New Zealand Savings Bank Limited — Special Dividend	15th Jan. 1979	15,000
ANZ Investments Limited	29th Sep. 1978	350
ANZ Holdings Limited	29th Sep. 1978	64
ANZ Banking Group (PNG) Limited	21st Nov. 1977	229*
	29th Sep. 1978	377
Esanda Limited	26th Sep. 1978	8,750
Endeavour Investments (New Zealand) Limited	29th Sep. 1978	661

\* This dividend was also included in the 1977 Directors' Report.

### Statements Relating to the Accounts

Prior to the preparation of the Company's accounts for the year, the directors took reasonable steps to ascertain:

(i) what 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

(ii) 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 will or might arise.

At the date of this report:

(i) the directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of the provision for doubtful debts for the Company and its subsidiaries inadequate to any substantial extent

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

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

(iv) no contingent liability of the Company or its subsidiaries has arisen since the end of the financial year.

(v) the directors are 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.

No contingent liability or other liability has become enforceable, or is likely to become enforceable, in respect of the Company and its subsidiaries within the period of twelve months after 30th September, 1978 which in the opinion of the directors will or may substantially affect the ability of the Company and its subsidiaries to meet their obligations as and when they fall due.

The results of the operations of the Company and its subsidiaries for the year to 30th September, 1978 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.

In the interval between the end of the financial year and the date of this report there has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of any company in the Group for the next succeeding financial year; however during this period ANZ Investments Limited sold its 50 per cent interest in 351 Collins Street Limited which resulted in a capital profit estimated to be \$2,757,000.

No director has, since the end of the previous financial year, received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received, or due and receivable by directors shown in the accounts or the fixed salaries of directors who are full-time employees of the Company or its subsidiaries), by reason of a contract made by the Company, or a related company, with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest with the exception of benefits that may be deemed to have arisen because of legal fees paid to Blake & Riggall, in which Mr. G. M. Niall is a partner and to Bell, Gully & Co., in which Mr. L. M. Papps is a partner.

### 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 \$110 million in excess of the value shown in the balance sheet, on an existing use basis.

### Accounts

In accordance with an Order of the Commissioner for Corporate Affairs, Victoria, all amounts shown in this report and the accompanying accounts have been rounded off to the nearer thousand dollars unless otherwise specifically stated.



### Shareholdings

As at the date of this report the interests, including non-beneficial interests, of all directors in the share capital of the Company do not exceed in the aggregate five per cent.

The directors' shareholding interests, beneficial and non-beneficial, in the share capital of the Company and related corporations are detailed below.

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

Signed at Melbourne for and on behalf of the board of directors in accordance with a resolution of the directors this 1st day of December, 1978.

 *Chairman*  
 *Director*

### Directors' Shareholding Interests

	Beneficial As at 21st October, 1978	Non-beneficial As at 21st October, 1978
Sir Ian McLennan	7,638	—
M. Brunckhorst	688	—
The Hon. E. L. Baillieu	1,274	1,248
C. J. Harper	—	—
W. J. Holcroft	1,406	—
Sir John Holland	—	—
M. W. Jacomb	784	—
Angus Mackinnon	6,354	2,500
G. M. Niall	—	—
*L. M. Papps	—	—
The Right Hon. Lord Remnant	1,274	—
Sir William Vines	—	—
T. M. Williamson	—	—
D. C. L. Gibbs (alternate director)	—	—
	19,418	3,748

There were no changes in directors' shareholdings in the Company between 21st October, 1978 and 28th November, 1978.

\*In addition, Mr. L. M. Papps has a beneficial interest in 1,500 shares in a related corporation — UDC Group Holdings Limited.

# Analysis of Shareholdings as at 15th November, 1978

## Average Size of Shareholding

3,435

(1977 2,807)

Holdings	Shareholders		Shares	
	No.	%	No.	%
1 to 1,000	14,447	59.6	6,912,592	6.8
1,001 to 5,000	8,519	35.1	16,506,721	16.3
5,001 to 10,000	619	2.6	4,166,215	4.1
Over 10,000	662	2.7	73,811,755	72.8
	24,247	100.0	101,397,283	100.0

As at 15th November, 1978, the twenty largest shareholders held 34,363,628 shares which is equal to 33.9% of the total issued capital of 101,397,283 fully paid shares of \$1 each. They were:—

Shareholder	No. of Shares	%
A. N. Z. Nominees Limited GPO Box 2842AA Melbourne 3001	7,437,035	7.3
C.T.B. Nominees Limited Sydney Account C/- The Registrar Commonwealth Trading Bank of Aust. Box 4122 Sydney NSW 2001	4,949,040	4.9
Australian Mutual Provident Society 535 Bourke Street Melbourne 3000	3,185,365	3.2
The National Mutual Life Association of Australasia Limited 447 Collins Street Melbourne 3000	2,670,981	2.6
Bank of New South Wales Nominees Pty Limited 66 Pitt Street Sydney NSW 2000	2,037,401	2.0
National Nominees Limited PO Box 84A Melbourne 3001	1,986,171	2.0
The Pearl Assurance Co. Limited High Holborn London WC1	1,285,497	1.3
Legal and General Life Assurance Society Limited Temple Court 11 Queen Victoria Street London EC4	1,241,026	1.2
Colonial Mutual Life Assurance Society Ltd 330 Collins Street Melbourne 3000	1,203,865	1.2
A.U.C. Nominees Pty Limited 411 Collins Street Melbourne 3000	1,039,147	1.0
Superannuation Fund Investment Trust P.O. Box 286 Civic Square Canberra A.C.T. 2608	976,857	1.0
Manufacturers Mutual Insurance Limited 4th Floor, 60 York Street Sydney NSW 2000	871,875	0.8
Pendal Nominees Pty Limited 40th Level Tower Building Australia Square Sydney NSW 2000	815,760	0.9
Midland Bank (Head Office) Nominees Ltd 27-32 Poultry London EC2	750,000	0.7
Prudential Assurance Co. Ltd Life Account 39-49 Martin Place Sydney NSW 2000	732,015	0.7
Williams & Glyn's Bank Limited "B.E.B." Account 20 Birchin Lane London EC3P 3DP	668,135	0.7
T & G Mutual Life Society Limited Corner Russell and Collins Street Melbourne 3000	642,003	0.6
Provident & Pensions Holdings Pty Ltd G.P.O. Box 872K Melbourne 3001	628,306	0.6
Nauru Phosphate Royalties Trust Nauru House 80 Collins Street Melbourne 3000	624,399	0.6
Associated Nominees Pty Limited Box 145 G.P.O. Sydney NSW 2001	618,750	0.6
	34,363,628	33.9%

**Voting Rights of Shareholders** The articles provide for: on a show of hands: 1 vote  
on a poll: 1 vote for each share held



**Consolidated Profit and Loss Statement** for the year ended 30th September, 1978

	1978		1977	
	\$'000	\$'000	\$'000	\$'000
Banking income after eliminating inter-group dividends: Discount and interest earned, net exchange, commissions, dividends and other items, after deducting interest paid on deposits, transfers to the credit of contingencies reserves and provisions for doubtful debts		<b>467,251</b>		410,927
Less: Expenses, including directors' emoluments Income, land and other taxes	(Note 3)	<b>385,963</b> <b>49,125</b>		357,778 32,270
<b>NET BANKING PROFITS AFTER TAXATION AND TRANSFERS TO CONTINGENCIES RESERVES</b>		<b>32,163</b>		20,879
Non-banking subsidiary companies' operating profit after eliminating inter-group dividends and before income tax and extraordinary items		<b>54,857</b>		44,058
Less: Income tax expense applicable thereto		<b>25,009</b>		21,021
<b>NET PROFIT FROM NON-BANKING SOURCES</b>		<b>29,848</b>		23,037
<b>GROUP PROFIT BEFORE DEDUCTING MINORITY INTERESTS</b>		<b>62,011</b>		43,916
Less: Interests of minority shareholders		<b>568</b>		199
<b>GROUP PROFIT — applicable to shareholders of Australia and New Zealand Banking Group Limited</b>		<b>61,443</b>		43,717
Extraordinary items — net of income tax		<b>3,281</b>		1,104
Less: Interests of minority shareholders		<b>8</b>		(29)
Extraordinary items applicable to shareholders of Australia and New Zealand Banking Group Limited	(Note 2)	<b>3,273</b>		1,133
<b>GROUP PROFIT AFTER EXTRAORDINARY ITEMS — applicable to shareholders of Australia and New Zealand Banking Group Limited</b>		<b>64,716</b>		44,850
Retained profits at beginning of year		<b>27,804†</b>		15,351
<b>TOTAL AVAILABLE FOR APPROPRIATION</b>		<b>92,520</b>		60,201
Less: Appropriations				
Transfer to reserve funds — Revenue	(Note 4)	<b>30,418</b>		17,526
— Capital	(Note 4)	<b>3,193</b>		935
Capitalisation issue of shares by a subsidiary		<b>427</b>		
Dividends — 1978 interim		<b>8,112</b>		18,461
— 1977 interim paid by A. N. Z. Group Holdings Limited				5,288
— proposed final payable		<b>11,153</b>		8,652
<b>RETAINED PROFITS AT END OF YEAR</b>		<b>39,217</b>		27,800

† After adjustments for changes in rates of exchange during the year and increase in minority interest in a subsidiary company.  
The notes appearing on pages 20-27 are an integral part of these accounts.

**Consolidated Balance Sheet** as at 30th September, 1978

	Group Consoli- dation	Banking Companies	Non-Banking Companies	Group Consoli- dation	Banking Companies	Non-Banking Companies
	1978 \$'000	1978 \$'000	1978 \$'000	1977 \$'000	1977 \$'000	1977 \$'000
Authorised capital:						
125,000,000 shares of \$1 each	125,000	125,000		100,000	100,000	
Issued and paid up capital:						
101,397,283 shares of \$1 each, fully paid	101,397	101,397		72,105	72,105	
Reserve funds (Note 4)	261,122	151,840	109,282	225,072	135,419	89,653
Profit and loss	39,217	22,859	16,358	27,800	12,897	14,903
Share capital and reserves applicable to shareholders of Australia and New Zealand Banking Group Limited	401,736			324,977		
Minority shareholders' interest in subsidiary companies	4,624		4,624	2,250		2,250
Borrowings by subsidiaries (Note 5)	1,182,139		1,182,139	1,018,110		1,018,110
Current, deposit and other accounts including bank acceptances, contingencies reserves and provisions for taxation (Note 7)	7,979,317	7,659,376	319,941	7,076,732	6,797,269	279,463
Refinance for loans to customers	178,384	178,384		161,508	161,508	
Due to other banks	518,622	517,692	930	302,052	301,403	649
Proposed final dividend	11,153	11,153		8,652	8,652	
	10,275,975			8,894,281		
Liabilities under letters of credit, guarantees, etc. (Note 15)	779,560	762,529	17,031	639,908	621,981	17,927
	11,055,535			9,534,189		

The notes appearing on pages 20-27 are an integral part of these accounts.

	Group Consoli- dation	Banking Companies	Non-Banking Companies	Group Consoli- dation	Banking Companies	Non-Banking Companies
	1978 \$'000	1978 \$'000	1978 \$'000	1977 \$'000	1977 \$'000	1977 \$'000
Notes, coin and cash at bankers	219,703	193,841	25,862	203,938	187,895	16,043
Money at call and short notice	234,332	172,417	61,915	116,326	42,466	73,860
Treasury notes and treasury bills	65,469	64,212	1,257	27,752	26,264	1,488
Cheques in course of collection and balances with other banks	425,788	420,844	4,944	440,992	438,568	2,424
Deposits with Reserve Bank of Australia	136,908	136,908		231,931	231,931	
Investments, other than trade investments (Note 12)	1,877,230	1,766,778	110,452	1,616,195	1,516,647	99,548
Bills receivable and remittances in transit	542,870	532,129	10,741	445,067	430,303	14,764
Advances and loans, etc., less provision for doubtful debts	4,505,030	4,358,740	146,290	4,105,384	3,988,716	116,668
Loans to customers under refinance arrange- ments	178,384	178,384		161,508	161,508	
Bank acceptances and sundry accounts	642,902	637,684	5,218	305,913	302,072	3,841
Balances outstanding under hire purchase and other agreements, less deferred charges and provisions (Note 9)	1,231,494		1,231,494	1,040,472		1,040,472
Trade investments at cost less amounts written off (Note 12)	5,644	3,597	2,047	5,016	2,973	2,043
Premises and equipment (Note 13)	210,221	69,663	140,558	193,787	60,925	132,862
	<b>10,275,975</b>			8,894,281		
Liabilities of customers and others under letters of credit, guarantees, etc. (Note 15)	779,560	762,529	17,031	639,908	621,981	17,927
	<b>11,055,535</b>			9,534,189		

**Balance Sheet** as at 30th September, 1978

	1978 \$'000	1977 \$'000
Authorised capital: 125,000,000 shares of \$1 each	125,000	100,000
Issued and paid up capital: 101,397,283 shares of \$1 each, fully paid	101,397	72,105
Reserve funds (Note 4)	123,640	100,404
Profit and loss	17,933	10,585
Shareholders' funds	242,970	183,094
Amounts due to subsidiaries	52,789	57,888
Current, deposit and other accounts including bank acceptances, contingencies reserve and provision for taxation	5,796,351	5,103,567
Refinance for loans to customers	178,384	161,508
Due to other banks	517,692	301,404
Proposed final dividend	11,153	8,652
	6,799,339	5,816,113
Liabilities under letters of credit, guarantees, etc.	762,530	621,981
	7,561,869	6,438,094

**Profit and Loss Account** for the year ended 30th September, 1978

Expenses (Note 3)	349,666	323,299
Income, land and other taxes	33,798	20,984
Net profit including dividends from subsidiary companies	48,613	22,992
	432,077	367,275
Transfer to reserve fund	22,000	5,000
Dividends:		
— Interim	8,112	5,288
— Proposed final	11,153	8,652
Balance carried forward	17,933	10,585
	59,198	29,525

The notes appearing on pages 20-27 are an integral part of these accounts.

	<b>1978</b>	<b>1977</b>
	<b>\$'000</b>	<b>\$'000</b>
Notes, coin and cash at bankers	<b>77,158</b>	69,193
Money at call and short notice	<b>158,417</b>	30,466
Treasury notes and treasury bills	<b>45,886</b>	19,364
Cheques in course of collection and balances with other banks	<b>417,094</b>	434,818
Statutory reserve deposit with Reserve Bank of Australia	<b>122,397</b>	215,292
Loan fund accounts with Reserve Bank of Australia	<b>14,511</b>	16,639
Investments, other than trade investments (Note 12)	<b>949,641</b>	760,336
Bills receivable and remittances in transit	<b>532,129</b>	430,303
Advances and loans, etc., less provision for doubtful debts	<b>3,457,260</b>	3,205,388
Loans to customers under refinance arrangements	<b>178,384</b>	161,508
Bank acceptances and sundry accounts	<b>631,417</b>	284,253
Trade investments at cost (Note 12)	<b>3,597</b>	2,973
Investments in subsidiaries at cost	<b>105,876</b>	104,816
Amounts due from subsidiaries	<b>35,909</b>	19,839
Premises and equipment (Note 13)	<b>69,663</b>	60,925
	<b>6,799,339</b>	5,816,113
Liabilities of customers and others under letters of credit, guarantees, etc.	<b>762,530</b>	621,981
	<b>7,561,869</b>	6,438,094
Discount and interest earned, net exchange, commissions and other items, after deducting interest paid on deposits, transfers to the credit of contingencies reserves and provisions for doubtful debts	<b>402,125</b>	355,190
Dividends from subsidiary companies	<b>29,952</b>	12,085
	<b>432,077</b>	367,275
Net profit for the year including dividends from subsidiary companies after transfer to contingencies reserve	<b>48,613</b>	22,992
Balance brought forward from previous year	<b>10,585</b>	6,533
	<b>59,198</b>	29,525

# Notes on the Accounts

## 1 Bases of Accounting

These financial statements have been prepared in accordance with historical cost concepts except where otherwise indicated and comply with accounting standards so far as they are applicable to banking companies.

### (a) BASIS OF CONSOLIDATION

The consolidated accounts include the accounts of the holding company and all subsidiary companies excepting Fifty-Seven Willis Street Limited (refer note 13). Inter-company balances are eliminated on consolidation. The profit attributable to the holding company shareholders as shown in the consolidated profit and loss statement represents the profit of all companies in the group, less the minority shareholders' proportion of the after-tax profit of certain subsidiary companies, and after eliminating any pre-acquisition profit. The consolidated balance sheet represents the assets and liabilities of all companies in the group. The minority shareholders' interest in net assets is calculated in proportion to the shareholding in certain subsidiary companies and is shown under the heading "Minority shareholders' interest in subsidiary companies" in the consolidated balance sheet.

Under an order made by the Commissioner for Corporate Affairs pursuant to Section 161B of the Companies Act 1961, certain companies listed on page 34 of this report have been authorised to continue to have financial years which do not coincide with the financial year of Australia and New Zealand Banking Group Limited. A similar order was made by the Deputy Registrar of Companies, Wellington, New Zealand, pursuant to subsection (1) of section 157 of the Companies Act 1955 of New Zealand. The consolidated balance sheet includes figures relating to the respective financial years of these companies.

### (b) BANKING AND NON-BANKING COMPANIES

To comply with the provisions of section 167C of the Victorian Companies Act 1961 the operations of 'banking' and 'non-banking' companies have been segregated in the accounts. For this purpose a 'banking' company is a bank listed at the First Schedule of the Banking Act 1959 and comprises Australia and New Zealand Banking Group Limited and Australia and New Zealand Savings Bank Limited. All other subsidiaries are included as 'non-banking' companies.

### (c) CONVERSION TO AUSTRALIAN CURRENCY

Overseas profits have been converted into Australian dollars at the rates ruling at the end of the accounting period. Assets and liabilities which are expressed in currencies other than Australian dollars have been converted at the rates ruling at the date of the balance sheets and the net surplus or deficiency arising from such conversions has been dealt with by transfer to contingencies reserve in the case of the Trading Bank and, in the case of subsidiaries through reserves on consolidation.

### (d) LEVERAGED LEASE TRANSACTIONS

The Company has entered into a number of leveraged lease transactions as an equity participant. The investment is recorded net of the non-recourse long term debt and is

included in "Other Securities" in the balance sheet. Income is taken to account over the life of the lease based at a rate of return calculated on the unrecovered investment.

### (e) AMORTISATION AND PROFITS AND LOSSES ON INVESTMENTS

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 the majority of 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.

### (f) BAD AND DOUBTFUL DEBTS

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 doubtful debts are deducted from advances and loans in the balance sheet. Other operating subsidiaries within the Group maintain appropriate provisions for doubtful debts.

### (g) DEPRECIATION AND AMORTISATION

Expenditure on buildings is depreciated on a straight line basis.

Expenditure on plant, fixtures and fittings is depreciated over their estimated lives on a straight line basis.

Expenditure on leasehold improvements is amortised on a straight line basis over the unexpired portion of the lease.

### (h) TAXATION

Tax effect accounting procedures are applied throughout the Group where applicable.

### (i) PENSION FUNDS

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 Pty. Limited or ANZ Pensions (U.K.) Limited and are not included in these accounts.

### (j) GENERAL FINANCE SUBSIDIARIES

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. A "financial method" is used for recording lease finance transactions and accordingly these are shown in the balance sheet as receivables rather than leased assets less depreciation.

Notes on the Accounts continued

**2 Income**

Profit from operations for the year includes the following income items:

(a) dividends due or receivable during the year:

Paid or payable by	Received or receivable by	1978 \$'000	1977 \$'000
(i) Related companies			
Australia and New Zealand Savings Bank Limited	Australia and New Zealand Banking Group Limited	4,750	3,000
Esanda Limited	Australia and New Zealand Banking Group Limited	15,000 (special dividend)	
ANZ Holdings Limited	Australia and New Zealand Banking Group Limited	8,750	8,625
ANZ Investments Limited	Australia and New Zealand Banking Group Limited	64	105
Australia and New Zealand Banking Group (PNG) Limited	Australia and New Zealand Banking Group Limited	350	128
Endeavour Investments (New Zealand) Limited	Australia and New Zealand Banking Group Limited	377	229
UDC Group Holdings Limited	ANZ Investments Limited	661	
	Endeavour Investments (New Zealand) Limited	165	
(ii) Other companies		595	197
		160	172
(b) Extraordinary items:			
— Surplus on sale of properties		2,753	935
— Future income tax benefit		—	241
— Deferred tax adjustment prior years		199	32
— Exchange gain (loss) realised		13	(75)
— Surplus on sale of shares in subsidiary and associated companies		440	
— Underprovision for tax in prior years		(132)	
		<u>3,273</u>	<u>1,133</u>

**3 Expenses**

Profit from operations for the year includes the following expenses:

	1978 \$'000	1977 \$'000
(a) Depreciation and amortisation of fixed assets		
(i) Banking companies	11,845	10,077
(ii) Non-banking Companies	3,838	3,297
(b) Auditors' remuneration		
(i) Banking companies — audit of accounts	146	107
— other services	5	5
(ii) Non-banking companies — audit of accounts	104	87
— other services	271	216
The auditors did not receive any other benefits.		
(c) Bad debts written off and transfers to doubtful debts provisions of non-banking subsidiaries:		
Bad debts written off	5,975	3,616
Less — Bad debts recovered	897	540
	<u>5,078</u>	<u>3,076</u>
General provision for doubtful debts	1,295	1,857
Provision for identified doubtful debts	800	320
(d) Interest paid by non-banking subsidiaries to other persons	130,647	108,478
	<b>Group</b>	<b>Holding Company</b>
	1978 \$'000	1977 \$'000
	1978 \$'000	1977 \$'000
(e) Directors' Fees (excluding fixed salaries) received or due and receivable by		
(i) Directors engaged in full time employment of the Company	5	9
(ii) Other directors	164	141
	5	118
		116

**4 Reserve Funds**

	General Reserve \$'000	Share Premium Reserve \$'000	Capital Reserves* \$'000	Total Reserves \$'000
Australia and New Zealand Banking Group Limited				
As at 30th September, 1977	55,150	45,254	—	100,404
Add: Appropriation from profits—current year profits	7,000	—	—	7,000
—special Savings Bank Dividend	15,000	—	—	15,000
Premium on issue of 11,266,365 shares	—	19,262	—	19,262
Deduct: Bonus share issue	—	(18,026)	—	(18,026)
As at 30th September, 1978	77,150	46,490	—	123,640
Australia and New Zealand Savings Bank Limited				
As at 30th September, 1977	35,700	—	—	35,700
Add: Appropriation from profit	7,500	—	—	7,500
Deduct: Special dividend	(15,000)	—	—	(15,000)
As at 30th September, 1978	28,200	—	—	28,200
ANZ Savings Bank (New Zealand) Limited				
As at 30th September, 1977†	3,766	—	—	3,766
Add: Appropriation from profit	918	—	—	918
As at 30th September, 1978	4,684	—	—	4,684
Esanda Limited				
As at 30th September, 1977	50,000	—	146	50,146
Add: Appropriation from profit	15,000	—	—	15,000
As at 30th September, 1978	65,000	—	146	65,146
Other non-banking companies				
As at 30th September, 1977†	762	3,978	28,648	33,388
Add: Appropriation from profit	—	—	2,753	2,753
Surplus on sale of properties	—	—	440	440
Surplus on sale of shares	—	—	286	286
Add: Revaluation of land	—	—	(978)	(978)
Deduct: Bonus share issue	—	—	—	—
As at 30th September, 1978	762	3,978	31,149	35,889
Adjustments on consolidation — 1977	—	(3,978)	(6,116)	(10,094)
— 1978	—	(3,978)	(5,190)	(9,168)
Reserve on consolidation—1977	—	—	12,304	12,304
—1978	—	—	12,731	12,731
Consolidated — 1977	145,204	45,254	34,614	225,072
— 1978	175,796	46,490	38,836	261,122

\* Capital reserves include — Capital reserves  
— Property reserves  
— Exchange adjustment reserves

† After adjustment for changes in rates of exchange during the year and reserves of a subsidiary.



**5 Borrowings by Non-banking Companies**

	<b>1978</b> <b>\$'000</b>	<b>1977</b> <b>\$'000</b>
Borrowings not separately detailed in the balance sheet are as follows:		
<i>Maturing within 12 months</i>		
Debenture stock (secured)	<b>202,122</b>	153,984
Unsecured notes, loans and deposits	<b>239,336</b>	233,155
Mortgages	<b>8,702</b>	5,215
<i>Maturing after 12 months</i>		
Debenture stock (secured)	<b>604,875</b>	513,530
Unsecured notes, loans and deposits	<b>126,341</b>	111,667
Mortgages	<b>763</b>	559
	<b>1,182,139</b>	1,018,110

Debenture stock of non-banking companies, together with accrued interest thereon, is secured by trust deeds and supporting collateral debentures, giving floating charges upon the undertakings and all the assets of the companies (other than land and buildings in the case of Esanda Limited).

**6 Liabilities Payable by Non-banking Companies**

	<b>1978</b> <b>\$'000</b>	<b>1977</b> <b>\$'000</b>
Within one year	<b>769,710</b>	670,613
Between one and two years	<b>321,620</b>	244,406
Between two and five years	<b>401,829</b>	365,581
After five years	<b>8,921</b>	16,973
Total borrowed funds and current liabilities	<b>1,502,080</b>	1,297,573

**7 Current, Deposit and Other Accounts of Non-banking Companies**

	<b>1978</b> <b>\$'000</b>	<b>1977</b> <b>\$'000</b>
Trade creditors and bills payable	<b>8,349</b>	14,676
Other current liabilities	<b>290,403</b>	242,810
Provisions: Income tax — current liability	<b>18,999</b>	20,111
— deferred liabilities	<b>2,190</b>	1,866
	<b>319,941</b>	279,463

**8 Debts Receivable by Borrowing Non-banking Companies**

	<b>1978</b> <b>\$'000</b>	<b>1977</b> <b>\$'000</b>
Not later than two years	1,158,116	1,034,041
Between two and five years	480,837	368,531
After five years	32,707	41,019
	<b>1,671,660</b>	1,443,591
Less: Income yet to mature on amounts receivable and general provision for doubtful debts and contingencies	<b>325,054</b>	273,534
	<b>1,346,606</b>	1,170,057

**9 Balances Outstanding under Hire Purchase and Other Agreements of Non-banking Companies**

	<b>1978</b> <b>\$'000</b>	<b>1977</b> <b>\$'000</b>
Gross receivables	1,550,320	1,308,792
Less: Income yet to mature	318,826	268,320
	<b>1,231,494</b>	1,040,472
Gross receivables are after deducting:		
Provisions for identified doubtful debts	1,500	700
General provision for doubtful debts	4,728	3,714
Provision for contingencies	1,500	1,500

**10 Subsidiary and Associated Companies and Major Trade Investments**

A list of subsidiary and associated companies and major trade investments appears on pages 34 and 35 and forms part of these notes on the accounts.

**11 Material Contracts – Directors' Interests**

Details are set out in the statements relating to the accounts on page 12.

**12 Investments**

Quoted investments (excluding trade investments held by the Company and by its subsidiaries) 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.

	<b>1978</b>		<b>1977</b>	
	<b>Book Value \$'000</b>	<b>Market Value \$'000</b>	<b>Book Value \$'000</b>	<b>Market Value \$'000</b>
Investments (including trade investments) in the balance sheets comprise:				
Banking companies:				
Australia and New Zealand Banking Group Limited				
Quoted in Australia:				
Australian Government Securities	<b>727,337</b>	<b>737,343</b>	681,114	663,271
Other Securities	<b>157</b>	<b>137</b>	285	231
Quoted in Other Countries:				
Government and Local Authorities Securities	<b>212,369</b>	<b>207,454</b>	76,033	68,203
Other Securities	<b>139</b>	<b>122</b>	136	120
Unquoted Investments:				
Australian Government and Semi-Government Securities	<b>1,502</b>		1,505	
Other Securities	<b>8,137</b>		1,263	
Trade Investments	<b>3,597</b>		2,973	
Australia and New Zealand Savings Bank Limited				
Quoted in Australia:				
Australian Government Securities	<b>233,482</b>	<b>231,185</b>	234,554	219,900
Australian Semi-Government Securities	<b>43,873</b>	<b>45,318</b>	27,724	27,328
Other Securities	<b>1,699</b>	<b>1,719</b>	1,597	1,580
Unquoted Investments:				
Australian Government, Local and Semi-Government Securities	<b>523,835</b>		479,949	
Other Securities	<b>14,248</b>		12,487	
Non-banking companies:				
Quoted in Australia:				
Other Securities			1	1
Trade Investments	<b>16</b>	<b>9</b>	15	9
Quoted in Other Countries:				
Government and Local Authorities Securities	<b>48,438</b>	<b>43,944</b>	38,577	34,030
Unquoted Investments:				
Australian Government Securities	<b>200</b>		200	
Other Securities	<b>61,814</b>		60,770	
Trade Investments	<b>2,031</b>		2,028	
	<b>1,882,874</b>		1,621,211	

**13 Premises and Equipment**

	<b>1978</b>		<b>1977</b>
	<b>\$'000</b>		<b>\$'000</b>
(a) Banking companies			
Freehold and leasehold premises and sites at cost, less amounts written off	<b>13,855</b>		11,349
Computers, furniture, office machines and other equipment at cost, less amounts written off	<b>55,808</b>		49,576
	<b>69,663</b>		60,925
(b) Non-banking companies			
Freehold and leasehold land and buildings			
— at directors' valuation 1974	<b>4,290</b>		4,290
— by independent valuation 1976	<b>616</b>		616
— at directors' valuation 1978	<b>682</b>		—
	<b>5,588</b>		4,906
— at cost	<b>130,261</b>		122,643
	<b>135,849</b>		127,549
Deduct: Provision for depreciation on buildings	<b>11,243</b>	<b>124,606</b>	10,423
			117,126
Plant, furniture, fixtures and fittings at cost	<b>25,435</b>		22,433
Deduct: Provision for depreciation	<b>9,941</b>	<b>15,494</b>	7,221
			15,212
Leasehold improvements at cost	<b>632</b>		675
Deduct: Provision for amortisation	<b>174</b>	<b>458</b>	151
			524
		<b>140,558</b>	132,862
Total consolidated premises and equipment		<b>210,221</b>	193,787

Included in the freehold and leasehold premises is the cost of the investment in a subsidiary, Fifty-Seven Willis Street Limited, amounting to \$851,000 at 30th September, 1978 (1977 \$768,000). The accounts of this company, which developed a property in New Zealand, have not been consolidated with those of the Group on the grounds of the insignificance of the amounts involved and the particular nature of the development.

**14 Capital Expenditure Commitments**

	<b>1978</b>		<b>1977</b>
	<b>\$'000</b>		<b>\$'000</b>
Contracts for outstanding capital expenditure not provided for in these accounts totalled:			
Banking companies	<b>6,163</b>		10,112
Non-banking companies	<b>5,670</b>		5,076

**15 Contingent Liabilities**

	<b>1978 \$'000</b>	<b>1977 \$'000</b>
(a) Non-Banking Companies		
(i) Liabilities of customers and others under letters of credit	<b>1,176</b>	904
(ii) Guarantees entered into in the normal course of business	<b>8,805</b>	13,907
(iii) Amounts due from customers on acceptances	<b>6,699</b>	2,963
(iv) Other	<b>351</b>	153
	<b>17,031</b>	<u>17,927</u>
Hold forward exchange contracts totalling	<b>41,832</b>	
(b) Banking companies		
Australia and New Zealand Banking Group Limited		
(i) has guaranteed the repayment of loans made to its customers by a subsidiary to the extent of	<b>906</b>	1,026
(ii) has guaranteed the depositors' balances with Australia and New Zealand Savings Bank Limited and with ANZ Savings Bank (New Zealand) Limited		
(iii) 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		
(iv) holds forward exchange contracts totalling	<b>2,184,200</b>	2,091,679

## Statutory Statements

### Statement by the Directors

In the opinion of the directors of Australia and New Zealand Banking Group Limited the accompanying balance sheet is drawn up so as to give a true and fair view of the state of affairs of the company as at 30th September, 1978, and the accompanying profit and loss account is drawn up so as to give a true and fair view of the profit of the company for the year ended 30th September, 1978.

It is also the opinion of the directors that the accompanying group accounts of Australia and New Zealand Banking Group Limited and its subsidiary companies are drawn up so as to give a true and fair view of:—

- (a) the profit of the company and its subsidiaries for the year ended 30th September, 1978; and
- (b) the state of affairs of the company and its subsidiaries as at 30th September, 1978

so far as they concern members of the holding company.

Dated at Melbourne this 1st day of December, 1978.

Signed in accordance with a resolution of the directors.

**Ian McLennan** *Director*

**T. M. Williamson** *Director*

### Statement by the Principal Accounting Officer

I, Derrick Nicolson, the principal accounting officer of Australia and New Zealand Banking Group Limited, do hereby state that to the best of my knowledge and belief the accompanying accounts of Australia and New Zealand Banking Group Limited and the group accounts of Australia and New Zealand Banking Group Limited and its banking and other subsidiaries are drawn up so as to give a true and fair view of the matters required to be dealt with therein in accordance with Section 162 of the Companies Act 1961 of Victoria.

Dated at Melbourne this 1st day of December, 1978.

**D. Nicolson**

*Principal Accounting Officer*  
Melbourne

## Auditors' Report

### Auditors' Report to the Members of Australia and New Zealand Banking Group Limited

In our opinion:

- (a) the accompanying accounts and group accounts as set out on pages 15 to 27, being the balance sheet and profit and loss account of Australia and New Zealand Banking Group Limited and the consolidated balance sheet and consolidated profit and loss account of the Company and its subsidiaries, which have been prepared under the historical cost convention stated in Note 1, are properly drawn up in accordance with the provisions of the Companies Act, 1961 of Victoria in the manner authorised for a banking company and on this basis so as to give a true and fair view of:
  - (i) the state of affairs of the Company and of the group as at 30th September, 1978 and of the profit of the Company and of the group for the year ended on that date so far as they concern members of the holding Company; and
  - (ii) the other matters required by Section 162 of that Act to be dealt with in the accounts and in the group accounts;
- (b) the accounting records and other records, and the registers required by that Act to be kept by the Company and by those subsidiaries of which we are the auditors have been properly kept in accordance with the provisions of that Act or in the case of such subsidiaries incorporated in another State or Territory of the Commonwealth and of which we are the auditors in accordance with the provisions of the corresponding law of that State or Territory.

The names of the subsidiaries of which we have not acted as auditors are set out on pages 34 to 35 and we have examined their accounts and the auditors' reports thereon.

We are satisfied that the accounts of the subsidiaries that have been consolidated with other accounts are in form and content appropriate and proper for the purposes of the preparation of the consolidated accounts and we have received satisfactory information and explanations required by us for that purpose.

No auditor's report on the accounts of any of the subsidiaries was made subject to any qualification, or included any comment made under sub-section (3) of Section 167 of that Act.

Peat, Marwick, Mitchell & Co.  
Chartered Accountants

**R. C. Dunn**, *Partner*

Melbourne  
1st December, 1978.

**Summary of the Audited Accounts\*** as at 30th September, 1978**Board of Directors:**

M. Brunckhorst *Chairman*  
 R. T. Brunskill  
 A. G. Kilpatrick  
 J. D. Milne  
 T. M. Williamson *General Manager*.  
 K. O. Wilks (alternate director)

**Balance Sheet** as at 30th September, 1978

	1978 \$'000	1977 \$'000		1978 \$'000	1977 \$'000
Authorised capital: 14,000,000 shares of \$1 each	14,000	14,000	Cash	184	202
Issued capital: 7,500,000 shares of \$1 each, fully paid	7,500	7,500	Short term funds	14,000	12,000
Reserve fund	28,200	35,700	Deposits with Australia and New Zealand Banking Group Limited	11,038	23,927
Profit and loss account	4,926	3,675	Deposits with Reserve Bank of Australia	116,500	118,500
	40,626	46,875	Treasury notes	18,326	6,900
Deposits and other liabilities including contingencies reserve and provision for taxation	1,863,056	694,755	Investments: Quoted:		
Proposed special dividend	15,000		Australian Government	233,482	234,554
			Other	45,572	29,321
			Market value \$278,222,000 (1977 \$248,808,000)		
			Unquoted:		
			Local and Semi-Government	527,813	483,732
			Other	10,270	8,704
			Balances due by other banks	3,750	3,750
			Loans and other accounts less provision for doubtful debts	922,747	805,040
			Shares in subsidiary	5,000	5,000
			Amount due from subsidiary	10,000	10,000
	1,918,682	1,741,630		1,918,682	1,741,630

**Profit and Loss Account** for the year ended 30th September, 1978

Transfer to reserve fund	7,500	5,000	Balance brought forward	3,674	1,702
Dividend	4,750	3,000	Profit for year after transfer to contingencies reserve	13,502	9,972
Balance carried forward	4,926	3,674			
	17,176	11,674		17,176	11,674

\* Abridged format for information purposes only

## Summary of the Audited Accounts\* as at 30th September, 1978

### Board of Directors:

B. B. Dickinson *Chairman*  
 N. R. Frost *General Manager*  
 R. M. Campbell  
 M. P. Hirtzel  
 D. D. Hooker  
 T. M. Williamson.

## Balance Sheet as at 30th September, 1978

	1978 NZ\$'000	1977 NZ\$'000		1978 NZ\$'000	1977 NZ\$'000
Authorised capital: 250,000 shares of NZ\$2 each	500	500	Deposits with Australia and New Zealand Banking Group Limited	10,930	11,129
Issued capital: 250,000 shares of NZ\$2 each, fully paid	500	500	Investments		
Reserve fund	5,100	4,100	Quoted:		
Profit and loss account	668	533	New Zealand Government Market value NZ\$39,061,000 (1977 NZ\$24,981,000)	42,834	29,852
	6,268	5,133	Unquoted:		
Deposits and other liabilities including provision for taxation	185,822	155,854	New Zealand Government special stock	55,080	62,830
			Local authority	7,990	6,781
			Other	18	17
			Loans and other accounts less provision for doubtful debts	75,238	50,378
	192,090	160,987		192,090	160,987

## Profit and Loss Account for the year ended 30th September, 1978

Transfer to reserve fund	1,000	600	Balance brought forward	533	538
Balance carried forward	668	533	Profit for year	1,135	595
	1,668	1,133		1,668	1,133

\* Abridged format for information purposes only



## Summary of the Audited Accounts\* as at 30th September, 1978

### Board of Directors:

M. Brunckhorst *Chairman*  
 K. E. Hill *General Manager*  
 A. G. Kilpatrick  
 J. D. Milne  
 K. O. Wilks  
 T. M. Williamson.

## Balance Sheet as at 30th September, 1978

	1978 \$'000	1977 \$'000		1978 \$'000	1977 \$'000
Authorised capital: 60,000,000 shares of \$1 each	60,000	60,000	Deposits with Australia and New Zealand Banking Group Limited	2,550	533
Issued capital: 57,500,000 shares of \$1 each, fully paid	57,500	57,500	Deposits at call and short term investments	60,265	72,710
Capital reserve	146	146	Receivables, less provisions and less income yet to mature \$299,698,000 (1977 \$257,193,000)	1,199,585	1,033,606
General reserve	65,000	50,000	Premises and equipment	13,447	13,904
Profit and loss account	10,950	9,383			
	<b>133,596</b>	117,029			
Debenture stock Maturing within one year \$170,583,000 (1977 \$145,503,000)	723,190	609,179			
Unsecured notes and deposits Maturing within one year \$232,509,000 (1977 \$223,149,000)	358,405	334,047			
Other liabilities including provision for taxation	60,656	60,498			
	<b>1,275,847</b>	1,120,753		<b>1,275,847</b>	1,120,753

## Profit and Loss Account for the year ended 30th September, 1978

Transfer to general reserve	15,000	7,000	Balance brought forward	9,383	4,793
Dividend	8,750	8,625	Profit for year	25,317	20,215
Balance carried forward	10,950	9,383			
	<b>34,700</b>	25,008		<b>34,700</b>	25,008

\* Abridged format for information purposes only

# Consolidated Statement of Source and Application of Funds

for the year ended 30th September, 1978

	1978 \$'000	1977 \$'000
<b>Source of Funds</b>		
Consolidated profit after extraordinary items	64,716	44,850
Increases in:		
Issued capital	11,266	12,018
Share premium account	19,262	21,030
Current, deposit and other accounts, etc.	908,241	633,390
Borrowings by subsidiary companies	164,029	294,149
Due to other banks	216,569	60,004
Decreases in:		
Money at call and short notice	—	5,942
Treasury notes and treasury bills	—	65,089
Deposits with Reserve Bank of Australia	95,023	—
Investments (other than trade investments)	—	10,065
Bills receivable and remittances in transit	—	102,919
Cheques in course of collection and balances with other banks	15,204	—
	<b>1,494,310</b>	<b>1,249,456</b>

## Application of Funds

Dividends paid	19,265	13,940
Increases in:		
Notes, coin and cash at bankers	15,765	24,428
Money at call and short notice	118,006	—
Treasury notes and treasury bills	37,717	—
Deposits with Reserve Bank of Australia	—	47,697
Investments (other than trade investments)	261,035	—
Advances and loans, less provision for doubtful debts	399,646	660,807
Bills receivable and remittances in transit	97,803	—
Balances outstanding under hire purchase and other agreements	191,022	296,243
Premises and equipment	16,434	23,467
Bank acceptances and sundry accounts and other assets	337,617	40,916
Cheques in course of collection and balances with other banks	—	141,958
	<b>1,494,310</b>	<b>1,249,456</b>

## Ten Year Summary

### Amounts in \$'millions

	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978
Operating profit before extraordinary items	14.9*	15.8	13.7	17.1	22.3	22.6	27.4	36.9	43.7	61.4
Earnings per share (on average issued capital)†	46.4c	49.2c	42.6c	53.2c	69.4c	61.5c	72.9c	64.9c	65.6c	73.1c
Dividends per share†	20.5c	21.5c	21.5c	20.3c	11.9c	16.2c	15.8c	14.2c	20.0c	20.0c
Shareholders' funds	122.3	131.2	138.0	142.7	155.4	206.7	221.3	258.5	325.0	401.7
Total assets	3,397.6	3,816.4	4,129.5	4,699.5	5,795.9	6,517.2	7,502.0	8,397.4	9,534.2	11,055.5
Total deposits and other accounts	2,608.9	2,858.6	3,033.1	3,554.1	4,581.9	4,649.2	5,585.6	6,239.5	7,076.7	7,979.3
Trading bank deposits and other accounts	1,861.0	2,053.0	2,149.2	2,541.5	3,306.0	3,364.2	4,093.9	4,497.9	5,103.6	5,796.4
Trading bank advances, loans, etc.	1,101.8	1,328.0	1,369.2	1,383.4	2,021.2	2,343.0	2,321.9	2,699.5	3,205.4	3,457.3
Trading bank net profit, excluding dividends	8.3*	9.4	8.3	6.8	10.8	10.5	8.8	9.9	10.9	18.7
Australian Savings Bank deposits and other accounts	671.3	712.6	783.8	895.7	1,138.2	1,128.3	1,334.8	1,560.0	1,694.8	1,863.1
Australian Savings Bank net profit	2.1*	2.1	2.6	3.2	4.0	3.7	4.4	7.2	10.0	13.5
Esanda total assets	163.0	208.3	250.9	279.2	357.7	538.5	622.5	835.1	1,120.8	1,275.8
Esanda net profit	4.0*	3.5	4.2	5.8	6.4	7.1	13.3	18.5	20.2	25.3

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. 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 figures are based on shares of £1 each for the years 1969-1975 and on shares of \$1 each for the years 1976-1978.

## Trading Bank Deposits and Advances Classified by Industry at July, 1978

	Total Deposits*		Total Lending	
	Australia %	New Zealand %	Australia %	New Zealand %
Agriculture, pastoral and dairying	6.17	7.73	10.35	13.07
Manufacturing	4.38	4.60	17.04	27.72
Transport	1.39	0.85	1.88	2.13
Finance	7.74	21.96	7.31	4.03
Commerce	6.61	5.43	13.32	22.51
Building	2.87	3.10	3.39	6.15
Other business, including mining	18.19	18.86	20.30	6.54
Public authority	2.30	2.05	0.28	0.90
Persons	38.96	35.42	25.58	16.95
Non-profit organisations	5.10		0.51	
Government accounts	5.20		—	
Non-residents	1.09		0.04	
* excluding certificates of deposit.	100.00	100.00	100.00	100.00

# Subsidiary Companies and Group Interests

see Note 10 on page 24

	Incorporated in	Principal areas of operations	Issued Capital	Contribution to Group Results \$'000	
				1978	1977
Australia and New Zealand Banking Group Limited	Australia	Australia/NZ/England/USA		18,661	10,904
<b>Subsidiaries</b>					
ANZ Custodians Limited	Australia	Australia	7 shares of \$1	—	—
ANZ Discounts Limited	Australia	Australia	5 shares of \$2	—	—
ANZ Finance (Far East) Limited	Australia	Hong Kong	1,564,000 shares of \$1	14	3
ANZ Finance (Jersey) Limited	Jersey		10 shares of £1	—	—
ANZ Holdings Limited	Australia	Australia/N. Z.	23,100,000 shares of \$1	94	138
ANZ Investments Limited	Australia	International	150 shares of \$1	151	162
ANZ Managed Investments Limited	Australia	Australia	209,010 shares of \$1	20	17
ANZ Managed Investments (N. S. W. ) Limited	Australia	Australia	10,000 shares of \$1	3	2
ANZ Managed Investments (Qld.) Limited	Australia	Australia	16 shares of \$1	3	5
ANZ Managed Investments (S. A. ) Limited	Australia	Australia	12 shares of \$1	2	3
ANZ Managed Investments (W. A. ) Limited	Australia	Australia	12 shares of \$1	1	—
ANZ Managed Investments (Tas.) Limited	Australia	Australia	16 shares of \$1	1	2
ANZ Managed Investments (A. C. T. ) Limited	Australia	Australia	16 shares of \$1	—	—
ANZ Managed Investments (N. T. ) Limited	Australia	Australia	10 shares of \$1	—	—
ANZ Nominees (Guernsey) Limited	Guernsey	Channel Islands	1,000 shares of £1	—	—
ANZ Nominees Limited	Australia	England/Aust/N. Z.	1,500 shares of \$1	—	—
ANZ Overseas Finance Limited	Great Britain	England/Aust/N. Z.	100 shares of £1	27	9
ANZ Pensions (U. K. ) Limited	Great Britain	England/Aust/N. Z.	250,000 shares of £1	—	—
ANZ Pensions Pty. Limited	Australia	Australia/N. Z.	5 shares of \$2	—	—
ANZ Properties (Australia) Limited	Australia	Australia	5,000,000 shares of \$1	552	528
ANZ Savings Bank (New Zealand) Limited	New Zealand	New Zealand	250,000 shares of NZ\$2	1,041	522
ANZ Services Limited	Australia		5,000 shares of \$2	—	—
Australia and New Zealand Banking Group (Channel Islands) Limited	Guernsey	Channel Islands	500,000 shares of £1	239	136
Australia and New Zealand Banking Group (PNG) Limited	Papua New Guinea	Papua New Guinea	2,000,000 shares of K1	670	516
Australia and New Zealand Savings Bank Limited	Australia	Australia	7,500,000 shares of \$1	13,502	9,972
Endeavour Investments (New Zealand) Limited	New Zealand	New Zealand	4,000,000 shares of NZ\$1 Reserves NZ\$874,687	109	43
Esanda Limited	Australia	Australia	57,500,000 shares of \$1	25,317	20,215
Esanda (Wholesale) Pty. Limited	Australia	Australia	50 shares of \$2	—	—
Esanda Nominees Limited	Great Britain	England	100 shares of £1	—	—
ES&A Holdings Limited	Australia	Australia	12,600,000 shares of \$1	12	9
ES&A Nominees (Australia) Pty. Limited	Australia	Australia	50 shares of \$2	—	—
ES&A Properties (Australia) Limited	Australia	Australia	2,000,000 shares of \$1	4	5
ES&A Properties (U. K. ) Limited	Great Britain	England	125,000 shares of £1	6	11
ES&A (Security) Pty. Limited	Australia	Australia	2 shares of \$2	—	—
Melbourne Safe Deposit Pty. Limited	Australia	Australia	29,000 shares of \$1	3	3
UDC Group Holdings Limited†	New Zealand	New Zealand	10,800,000 shares of NZ\$1	1,011	512
Subsidiaries of UDC Group Holdings Limited					
UDC Finance Limited†	New Zealand	New Zealand	3,000,000 shares of NZ\$2		
UDC Mercantile Securities Limited†	New Zealand	New Zealand	500,000 shares of NZ\$2		
UDC Properties Limited†	New Zealand	New Zealand	65,000 shares of NZ\$1		
UDC Developments Limited†	New Zealand	New Zealand	20,000 shares of NZ\$1		
UDC Nominees Limited†	New Zealand	New Zealand	1,000 shares of NZ\$1		
United Dominions Corporation Limited†	New Zealand	New Zealand	29,000 shares of NZ\$0.50		
Mercantile Discounts Limited†	New Zealand		34,500 shares of NZ\$2		
Credit for Industry (NZ) Limited†	New Zealand		10,000 shares of NZ\$2		
			240,000 shares of NZ\$2 paid to NZ\$1		
Financial Services Limited†	New Zealand		10,000 shares of NZ\$2		
The Traders' Finance Corporation Limited†	New Zealand		150,000 shares of NZ\$2		
United Finance Corporation Limited†	New Zealand		48,850 shares of NZ\$2		
Rentacolor New Zealand Limited†	New Zealand	New Zealand	100,000 shares of NZ\$2		
Fifty-Seven Willis Street Limited	New Zealand	New Zealand	5,151,000 shares of NZ\$1	—	—
				61,443	43,717

## Associated Companies and Other Major Trade Investments\*

Allied Communications Limited	New Zealand	New Zealand	10,000 shares of NZ\$2		
Australian Banks' Export Re-Finance Corporation Limited	Australia	Australia	2,000,000 shares of \$1 Loan Capital \$78,050,000 Reserves \$1,462,000		
Australian International Finance Corporation Limited	Australia	Australia and Pacific Area	6,250,000 shares of \$1 Reserves \$4,044,000		
Australian Resources Development Bank Limited	Australia	Australia	7,000 shares of \$1,000		
Charge Card Services Limited	Australia	Australia	80,000 shares of \$1		
Databank Systems Limited	New Zealand	New Zealand	200,000 shares of NZ\$1 Loan Capital NZ\$17,703,500 Reserves NZ\$3,882,000		
Melanesia International Trust Company Limited	New Hebrides	International	1,000,000 shares of £0.50		
Primary Industry Bank of Australia Limited	Australia	Australia	5,000,000 shares of \$1		

\* 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.

† The financial year of these companies ends on 31st March. The Commissioner for Corporate Affairs made an order dated 30th September, 1977, pursuant to Section 161B of the Companies Act 1961, authorizing these companies to continue to have financial years which do not coincide with the financial year of Australia and New Zealand Banking Group Limited. A similar order was made by the Deputy Registrar of Companies, Wellington, New Zealand, pursuant to subsection (1) of Section 157 of the Companies Act 1955.

Group Interest	Held by	Nature of business	Auditors	
100%	ANZ Banking Group	Custodian and nominee services	Peat, Marwick, Mitchell & Co	
100%	ANZ Investments	Negotiation of foreign currency loans for Australian customers	Peat, Marwick, Mitchell & Co	
67.8%	ES&A Holdings	} Finance activities	Peat, Marwick, Mitchell & Co.	
32.2%	ANZ Banking Group			
100%	ANZ Banking Group	Non-operative	Peat, Marwick, Mitchell & Co	
100%	ANZ Banking Group	Property owning company	Peat, Marwick, Mitchell & Co	
100%	ANZ Banking Group	Holding company for subsidiary and associated company shares	Peat, Marwick, Mitchell & Co	
100%	Melbourne Safe Deposit	} Unit trust managers	Coopers & Lybrand	
100%	ANZ Managed Investments		Coopers & Lybrand	
100%	ANZ Managed Investments		Coopers & Lybrand	
100%	ANZ Managed Investment		Coopers & Lybrand	
100%	ANZ Managed Investments		Coopers & Lybrand	
100%	ANZ Managed Investments		Coopers & Lybrand	
100%	ANZ Managed Investments		Coopers & Lybrand	
100%	ANZ Managed Investments		Coopers & Lybrand	
100%	ANZ Banking Group		Nominee Services	Peat, Marwick, Mitchell & Co.
100%	ANZ Banking Group		Nominee Services	Peat, Marwick, Mitchell & Co.
100%	ANZ Banking Group	Provision of foreign currency loans	Peat, Marwick, Mitchell & Co	
100%	ANZ Banking Group	} Management of staff pension funds	Peat, Marwick, Mitchell & Co	
100%	ANZ Banking Group			
100%	ANZ Savings Bank	Property owning company	Peat, Marwick, Mitchell & Co	
100%	ANZ Investments	Savings Bank	Hunt, Duthie & Co/Hutchison Hull & Co.	
100%	ANZ Banking Group	Non-operative	Peat, Marwick, Mitchell & Co.	
100%	ANZ Banking Group	Full range of banking services	Peat, Marwick, Mitchell & Co	
100%	ANZ Banking Group	Full range of banking services	Peat, Marwick, Mitchell & Co.	
100%	ANZ Banking Group	Savings banks	Deloitte, Haskins and Sells/Whinney Murray Ernst & Ernst	
20%	ANZ Investments	} Majority shareholder of UDC Group Holdings Ltd., holding company for UDC Finance Limited and other subsidiaries and associated companies	Price Waterhouse & Co	
80%	ANZ Banking Group			
100%	ANZ Banking Group	} Hire purchase, lease, instalment and general finance facilities	Arthur Andersen & Co	
100%	ANZ Finance (Far East)			
100%	ANZ Banking Group	Nominee services	Peat, Marwick, Mitchell & Co	
100%	ANZ Banking Group	Property and investment owning company	Peat, Marwick, Mitchell & Co	
100%	ANZ Banking Group	Nominee services	Peat, Marwick, Mitchell & Co	
100%	ES&A Holdings	} Property owning companies	Peat, Marwick, Mitchell & Co	
100%	ANZ Banking Group		Trustee company	Peat, Marwick, Mitchell & Co
100%	ANZ Banking Group		Holding company for subsidiary and associated company shares	Peat, Marwick, Mitchell & Co
64.04%	Endeavour Investments (NZ)	Holding company for subsidiary and associated company shares	Price Waterhouse & Co	
64.04%	UDC Group Holdings Limited	General finance facilities	Price Waterhouse & Co	
64.04%	UDC Group Holdings Limited	Merchant bank	Price Waterhouse & Co	
64.04%	UDC Group Holdings Limited	Property holding company	Price Waterhouse & Co	
64.04%	UDC Group Holdings Limited	Property development and management	Price Waterhouse & Co	
64.04%	UDC Group Holdings Limited	Nominee services	Price Waterhouse & Co	
64.04%	UDC Group Holdings Limited	Holding company for associated company shares	Price Waterhouse & Co	
64.04%	UDC Group Holdings Limited	Non-operative	Price Waterhouse & Co	
64.04%	UDC Group Holdings Limited	Non-operative	Price Waterhouse & Co	
64.04%	UDC Group Holdings Limited	Non-operative	Price Waterhouse & Co	
64.04%	UDC Group Holdings Limited	Non-operative	Price Waterhouse & Co	
48.03%	UDC Group Holdings Limited	Rental of colour television sets	Price Waterhouse & Co	
14.11%+	ANZ Banking Group	Property owning company	Gillilan Morris & Co.	
32.02%	UDC Group Holdings Limited	Hiring of radio telephones		
21.78%	ANZ Banking Group	Finance for Australian capital goods exports		
18.72%				
25%	ANZ Banking Group	Short and medium term lending and related financial services		
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		
20%	ANZ Banking Group	Nationwide computer network jointly owned by the trading banks		
20%	ANZ Investments			
38.0%	ANZ Investments	Trustee, corporate and financial services		
12.5%	ANZ Banking Group	Provision of long term loans to primary producers		

+Although the Group shareholding is only 14.11 per cent the company is included as a subsidiary as Group controls the majority of voting rights.

# Principal Establishments

## Victoria

Administrative Offices:  
287 Collins Street, Melbourne  
State Manager: K. R. Porter  
Principal Banking Office in Melbourne:  
388 Collins Street  
Manager: A. G. Wiltshire  
\*Principal Share Register:  
55 Collins Street, Melbourne

## New South Wales

Administrative Offices:  
\*20 Martin Place, Sydney  
Assistant General Manager and State Manager:  
M. T. Sandow  
Principal Banking Offices in Sydney:  
Martin Place and George Street  
Manager: A. A. Watts  
Pitt and Hunter Streets  
Manager: R. G. McKinnon

## Australian Capital Territory

Canberra Area Branch:  
\*City Walk and Ainslie Avenue  
Area Manager: J. R. Carey

## Queensland

Administrative Offices:  
\*324 Queen Street, Brisbane  
State Manager: K. A. Esdale  
Principal Banking Office in Brisbane:  
Queen and Creek Streets  
Manager: B. O'Callaghan

## 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: B. L. Arthur

## 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: B. B. Dickinson  
Chief Manager Branch Banking: N. R. Frost  
Chief Manager Corporate Banking: D. D. Hooker  
Chief Manager Personnel & Services: R. M. Campbell

## United Kingdom and Europe

Administrative Offices:  
\*71 Cornhill, London, EC3V 3PR  
General Manager — Europe: R. C. Wheeler-Bennett  
Chief Manager (International): W. J. Bailey  
Chief Manager (Banking & Services): J. D. Sanders  
Chief Manager (Corporate Banking): J. R. Lovesey  
Principal Banking Office in London:  
71 Cornhill, London, EC3V 3PR  
Manager: P. J. Burchette  
Manchester Representative Office  
Chatsworth House, Lever Street, Manchester M1 1WD  
Representative: G. D. R. Price  
Channel Islands  
Australia and New Zealand Banking Group  
(Channel Islands) Limited  
St. Peter Port, Guernsey  
Manager: E. R. Holt

## North America

Agencies:  
New York — 63 Wall Street  
Chief Agent: T. G. Williams  
Los Angeles — Suite 4350, 707 Wilshire Boulevard  
Agent and Manager: R. C. Thomas

## Papua New Guinea

Australia and New Zealand Banking Group (PNG) Limited  
Administrative Offices and Main Banking Office:  
ANG House, Hunter Street, Port Moresby  
Chief Manager: T. A. Wightman

## Pacific Islands

Main Banking Offices:  
Fiji — Suva, Victoria Parade  
Manager: A. G. Kirkland  
Solomon Islands — Honiara, Mendana Avenue  
Manager: J. P. Kent  
New Hebrides — Vila, Rue Higginson  
Manager: P. K. Treleaven

## Hong Kong

ANZ Finance (Far East) Limited  
25th Floor, Alexandra House, 16-20 Chater Road Central,  
Hong Kong  
General Manager: R. Isherwood

## Japan

Representative Office:  
Room 1109, New Yurakucho Building,  
12-1 Yurakucho, 1-Chome,  
Chiyoda-ku, Tokyo  
Representative: J. N. Vanselow

## Singapore

Representative Office:  
Suite 601, Sixth Floor, Ocean Building,  
Collyer Quay, Singapore 1  
Regional Representative: W. M. Vincent

\* Offices at which Share Registries maintained.



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### Personal

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Cheque accounts, High interest deposit accounts, Passbook savings accounts, Trust accounts, Christmas Club, Home Savers Club, Personal loans/overdrafts, Loans for housing, Loans for semi-government instrumentalities, municipal bodies and schools, Bankcard, Insurance services, Safe custody, night safe and safe deposit facilities, Periodical payments, 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.

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### Commercial

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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.

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### Corporate Banking

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Corporate financing, Management of consortium loans in local or foreign currencies, Management and participation in leveraged leasing, Consortium and project financing, Energy and minerals advisory service, Financing of international trade in local and overseas currencies, Foreign currency spot and forward facilities and management of exchange risks, Business development and trade enquiry service, Overseas remittances, Advice on import and export and exchange control procedures.

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### Investment

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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.

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### General Finance

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#### Esanda (in Australia)

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Instalment credit plans, Leasing and hire purchase of motor vehicles, trucks, industrial plant and machinery, agricultural equipment, domestic goods, caravans, Leveraged leasing, Personal loans, Real estate, housing finance, Bridging finance, Business loans for expansion projects or working capital, Discounting.

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#### UDC (in New Zealand)

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Instalment finance — credit sale and lease facilities, Loans for working capital, Bridging finance and bonding, Merchant bank facilities, Property development and management, Colour television rental.

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