

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED

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**ANNUAL REPORT 1984**





**Mr J. D. Milne**

The Chairman and directors deeply regret the sudden passing of Mr J. D. Milne on 12th November 1984.

Mr Milne was managing director of Australia and New Zealand Banking Group Limited from November 1980 until his passing. He was also chairman of Australia and New Zealand Savings Bank Ltd., Esanda Ltd, and ANZ Executors & Trustee Company Ltd, and a director of the Bank's principal subsidiary companies.

During a dedicated career that spanned 45 years, Mr Milne made an outstanding contribution to the Group, particularly over the past four years when, as the Group's chief executive, ANZ has grown significantly and has diversified into a major financial institution of world standing.

Mr Milne will be sadly missed but long remembered by Bank and business colleagues and friends.

## Directors

### **Sir William Vines, C.M.G. (Chairman)**

Sir William is deputy chairman of Tubemakers of Australia Ltd., and a director of Dalgety Australia Holdings Ltd. Group and the Bank's international subsidiary Grindlays Bank plc. He is chairman of the Sir Robert Menzies Memorial Trust and of the council of Hawkesbury Agricultural College and is a member of the Australian Council of the Duke of Edinburgh Study Conference (1986). Sir William is based in Sydney and farms in the New England area of New South Wales. Aged 68; a director since October 1976 and chairman since January 1982.

### **Mr W. J. Bailey (Managing Director)**

Mr Bailey has had 34 years of banking experience. He is chairman of Australia and New Zealand Savings Bank Ltd, Esanda Ltd, and ANZ Executors & Trustee Company Ltd. He is also on the boards of the Bank's principal subsidiaries, including ANZ Banking Group (New Zealand) Ltd, Grindlays Bank plc and Development Finance Corporation Ltd. Mr Bailey is a member of Melbourne University Graduate School of Management Foundation. Aged 51; a director since July 1984 and managing director since November 1984.

### **Mr R. A. D. Nicolson (Deputy Managing Director)**

Mr Nicolson has had 35 years banking experience. Mr Nicolson is a director of the Bank's main subsidiaries including Esanda Ltd, ANZ Banking Group (New Zealand) Ltd and Grindlays Bank plc. He is chairman of Australian International Finance Corporation Ltd. Aged 53; a director since July 1984 and deputy managing director since November 1984.

### **Mr M. D. Bridgland**

Mr Bridgland is chairman of ICI Australia Limited, and a director of Jennings Industries Limited. He is a member of the board of management of the Melbourne University Graduate School of Management and the Australian Council for the 1986 Duke of Edinburgh Study Conference. Aged 62; a director since February 1982.

### **Mr E. H. Burgess, O.B.E.**

Mr Burgess is a chartered accountant and lives in Adelaide. He was a director of The Bank of Adelaide from 1974 until September, 1980. Mr Burgess is deputy chairman of Advertiser Newspapers Limited and a director of Executor Trustee and Agency Company of South Australia Limited Group. Aged 68; a director since February 1980.

### **Mr D. C. L. Gibbs**

Mr Gibbs is executive chairman of Baillieu Bowring Marsh & McLennan Pty. Ltd., insurance brokers. He is also chairman of Gibbs Bright and Co. Pty. Ltd., Folkestone (Australia) Ltd. and BGJ Holdings Pty. Ltd. and is a director of John Swire & Sons Pty. Ltd. He is treasurer of the Museum of Victoria and a member of the executive council of the World Wildlife Fund in Australia. Aged 57; a director since February 1979.

### **Mr C. J. Harper**

Mr Harper is chairman of Humes Ltd., deputy chairman of Comsteel Vickers Ltd., and a director of several other companies, including Australian Reinsurance Company Limited, Dulux Australia Limited, North Broken Hill Holdings Ltd. and IBM Australia Limited. He is also a director of the Bank's international subsidiary Grindlays Bank plc. Mr Harper is a trustee of the Victorian State Opera Foundation and a councillor of the Institute of Directors in Australia. Aged 53; a director since October 1976.

### **Mr W. J. Holcroft, A.O.**

Mr Holcroft retired in 1980 as managing director of Brambles Industries Ltd. His directorships include Australian Development Corporation Ltd., Australian Wool Corporation, Caltex Australia Ltd., Camplin Broadcasters Ltd. Group, The Commonwealth Industrial Gases Ltd., Nucleus Limited and Royal Prince Alfred Hospital (Sydney). His background is in finance and accountancy. He lives in Sydney. Aged 62; a director since October 1976.

### **Professor Dame Leonie Kramer, D.B.E.**

Dame Leonie is professor of Australian Literature at the University of Sydney. She is a noted author and editor and serves on a number of scholastic committees. Dame Leonie was a member of the Australian Broadcasting Commission from 1977 and chairman of that Commission from 1982 to June 1983. She is a director of Western Mining Corporation Ltd. and is also a member of the council of the National Roads and Motorists Association. She lives in Sydney. Aged 60; appointed a director in August 1983.

### **Sir James McNeill, C.B.E.**

Sir James retired as chairman of Broken Hill Proprietary Company Limited in July 1984. He is chairman of Tubemakers of Australia Ltd. Sir James is vice president of the Australia Japan Business Co-operation Committee, member of Monash University Council and chairman of its Finance Committee; member Asia Pacific Advisory Council of AT&T International; member International Advisory Council of Morgan Guaranty Trust. Aged 68; a director since October 1982.

### **Sir Laurence Muir, VRD**

Sir Laurence retired in 1980 as senior partner of Potter Partners. His directorships include Alcoa Australia Ltd., ACI International Ltd., National Commercial Union Ltd., Herald & Weekly Times Ltd., Wormald International Ltd., Liquid Air Australia Ltd. (chairman) and Alex Harvey Industries Ltd. (New Zealand). Sir Laurence serves on several Government bodies, the General Motors Australian Advisory Council, and a number of charitable organisations. Aged 59; a director since August 1980.

### **Mr G. M. Niall**

Mr Niall is a solicitor, and was senior partner in, and is now a consultant to the Melbourne legal firm of Blake & Riggall. He is chairman of National Mutual Life Association of Australasia Ltd., Commonwealth Mining Investments (Australia) Ltd. and Engelhard Industries Pty. Ltd. His other directorships include Elders IXL Ltd., L.M. Ericsson Pty. Ltd., Volvo Australia Pty. Ltd. and Renison Goldfields Consolidated Ltd. He is also a member of the Australian Council of the Duke of Edinburgh Study Conference (1986). Aged 68; a director since October 1976.

### **Mr L. M. Papps**

Mr Papps lives in New Zealand and is a solicitor and senior partner in Bell Gully Buddle Weir. He is chairman of ANZ Banking Group (New Zealand) Limited, N.Z. Forest Products Ltd., U.E.B. Industries Ltd., Emco Group Ltd., and New Zealand Railways Corporation. His other directorships include The National Mutual Life Association of Australasia Ltd. in New Zealand. Aged 65; a director since October 1976.

### **Mr A. J. O. Ritchie**

Mr Ritchie lives in England. He is chairman of Grindlays Bank plc and has had 34 years experience in banking in the United Kingdom. He has been chairman of Union Discount Company of London plc since 1970 and is also on the London Committee of the Ottoman Bank. Aged 56; a director since September 1984.







# The Year in Brief

Group operating profit after tax increased by 35.9 per cent to \$269 million.

A one-for-four rights issue made, raising \$225 million.

A one-for-ten bonus issue announced to commemorate 150 years of operations.

Tranzaction Banking, ANZ's electronic teller terminal value capture system, operational.

Acquisition of Grindlays Bank group, a widely diversified international bank.

Purchase of 50 per cent interest in the stock broking firm of McCaughan Dyson & Co Ltd.

Total funds managed by DFC/AFT, ANZ Executors & Trustee Company, and ANZ Managed Investments almost reached \$3,000 million.

Esanda increased new business writings by 34 per cent and reduced incidence of bad debts by 57 per cent.

FCA operations combined with Esanda.

Properties revalued and \$293.9 million credited to asset revaluation reserves.

Representative offices established in Toronto, Zurich and Frankfurt.

Establishment of a pilot EFTPOS system in Australia and also in New Zealand.

ANZTELL, a corporate videotex information system, launched.

Purchase of a seat on the Sydney Futures Exchange.

ANZ Visa card launched, and ANZ Bankcard outstandings increased by 15.8 per cent to \$371 million.

## Notice of Meeting

The annual general meeting will be held in the ANZ Pavilion, The Theatres, Victorian Arts Centre, St Kilda Road, Melbourne at 11.00 am on Monday 21st January, 1985. Further information about the meeting is contained in a separate Notice of Meeting enclosed with this report.

A summary of the Chairman's address to the annual general meeting will be published in The Australian Financial Review and The Australian on 22nd January 1985. Copies of the address will be available from:

Community and Corporate Relations Department — 55 Collins St, Melbourne  
Public Relations Department — 55 Gracechurch St, London  
Branch Banking Services Department, ANZ Banking Group (New Zealand) Ltd — 215-229 Lambton Quay, Wellington, New Zealand

A copy of the Bank's 1984 Report to Staff is available to any shareholder on request to any of the three points listed above.

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### Financial Calendar

#### Results

First half:	Announced 21st May 1984
Full year:	Announced 19th November 1984
Annual Report:	Circulated 18th December 1984
Annual General Meeting:	To be held in Melbourne on 21st January 1985

#### Dividends

Interim:	Announced 21st May 1984 Paid 2nd July 1984
Recommended final:	Announced 19th November 1984 To be paid 25th February 1985

#### Administrative Headquarters and Registered Office:

55 Collins Street, Melbourne, Victoria, 3000

Telephone number: (03) 658 2955

**Secretary:** L. C. Graham

**Controller:** C. A. Griss

**Solicitors:** Blake & Riggall

**Auditors:** Peat, Marwick, Mitchell & Co



# Financial Summary

## Financial Highlights

	1984	1983	% Increase
<b>For the years ended 30 September (\$'000)</b>			
Group gross income	3,275,936	2,979,610	9.9
Group operating profit	269,037	197,900	35.9
Group profit after extraordinary items	122,150#	197,750	-38.2
Dividends	86,177	63,072	36.6
Number of times dividend covered by profits	3.12	3.14	
Return on average shareholders' funds	21.9%*	17.5%	
<b>Per share</b>			
Dividend — declared rate	30.0c	28.0c	
Earnings on fully-paid capital at end of year	88.9c	85.8c†	
Net assets on fully-paid capital at end of year	\$5.89	\$5.18†	
<b>At year end (\$'000)</b>			
Paid-up capital	302,858	209,746	44.4
Shareholders' funds	1,780,873	1,194,876	49.0
Total assets	35,854,681	22,726,353	57.8
Ratio of shareholders' funds to total assets	4.97%	5.26%	

- **Group Operating Profit** of \$269 million represents return on average shareholders' funds of 21.9%\*
- **Australian Trading Bank** profit increase of 55.3%. Improved earnings locally and overseas.
- **Australian Savings Bank** profit increase of 31.2%. Expanded deposit base underlies improved profitability.
- **New Zealand Trading Bank** profit increase of 10.2%. In local currency terms profit increased by 37%; Australian dollar equivalent substantially reduced by devaluation of New Zealand dollar.
- **Development Finance Corporation** first profit contribution of \$16 million. Strong sales performance from the trust operations of AFT, the DFC group's major profit contributor.
- **Acquisition of Grindlays Bank group** adds \$9,000 million to total Group assets.

\* adjusted to exclude effects of year end rights issue and property revaluation.  
† adjusted for 1984 bonus issue.

# extraordinary items include write-off in full of goodwill on acquisition of Grindlays Holdings plc \$115.3 million and Development Finance Corporation Ltd. \$28.3 million.



## Summary and Analysis of Consolidated Profit

	1984 \$'000	1983 \$'000	% change
<b>Banking</b>			
Australian Trading Bank	129,409	83,348	+55.3
Australian Savings Bank	38,259	29,145	+31.2
New Zealand Trading Bank	21,011	19,063	+10.2
New Zealand Savings Bank	1,082	1,454	-25.6
ANZ Finance (Far East)	3,979	4,211	-5.5
ANZ Banking Group (PNG)	241	753	-68.0
Other	2,777	2,684	+3.5
	196,758	140,658	+39.9
<b>Non-Banking</b>			
Esanda FCA Group	52,298	52,695	-0.8
Development Finance Corporation Group	15,986	—	
UDC Group	3,680	4,454	-17.4
Other	315	93	+238.7
	72,279	57,242	+26.3
Consolidated operating profit	269,037	197,900	+35.9
Extraordinary items	(146,887)	(150)	
Consolidated profit	122,150	197,750	-38.2

	1984 \$'000	%	1983 \$'000	%
<b>Income</b>				
Interest received	2,713,452		2,562,480	
Less interest paid	1,763,038		1,747,805	
Net interest received	950,414	62.8	814,675	66.1
Commission and other	562,485	37.2	417,129	33.9
Total Income	1,512,899	100.0	1,231,804	100.0
<b>Expenses</b>				
Salaries	405,873	26.8	365,169	29.7
Other personnel	143,800	9.5	125,149	10.2
Building occupancy	107,470	7.1	94,872	7.7
Other	345,548	22.9	285,284	23.1
Total expenses	1,002,691	66.3	870,474	70.7
Income tax	230,193	15.2	154,906	12.6
Extraordinary items	146,834	9.7	73	—
Dividends	86,177	5.7	63,072	5.1
Minority shareholders' interests	11,030	0.7	8,601	0.7
Retained earnings (including reserves)	35,974	2.4	134,678	10.9
Total expenses, distributions and retentions	1,512,899	100.0	1,231,804	100.0



Account information is stored and updated ready for direct access via branch and administrative terminals throughout Australia by the central data processing complex in Melbourne.



# Organisation Structure



**W. J. Bailey**  
Managing Director



**R. A. D. Nicolson**  
Deputy Managing Director



**D. T. Craig**  
General Manager —  
attached to Grindlays  
Bank plc



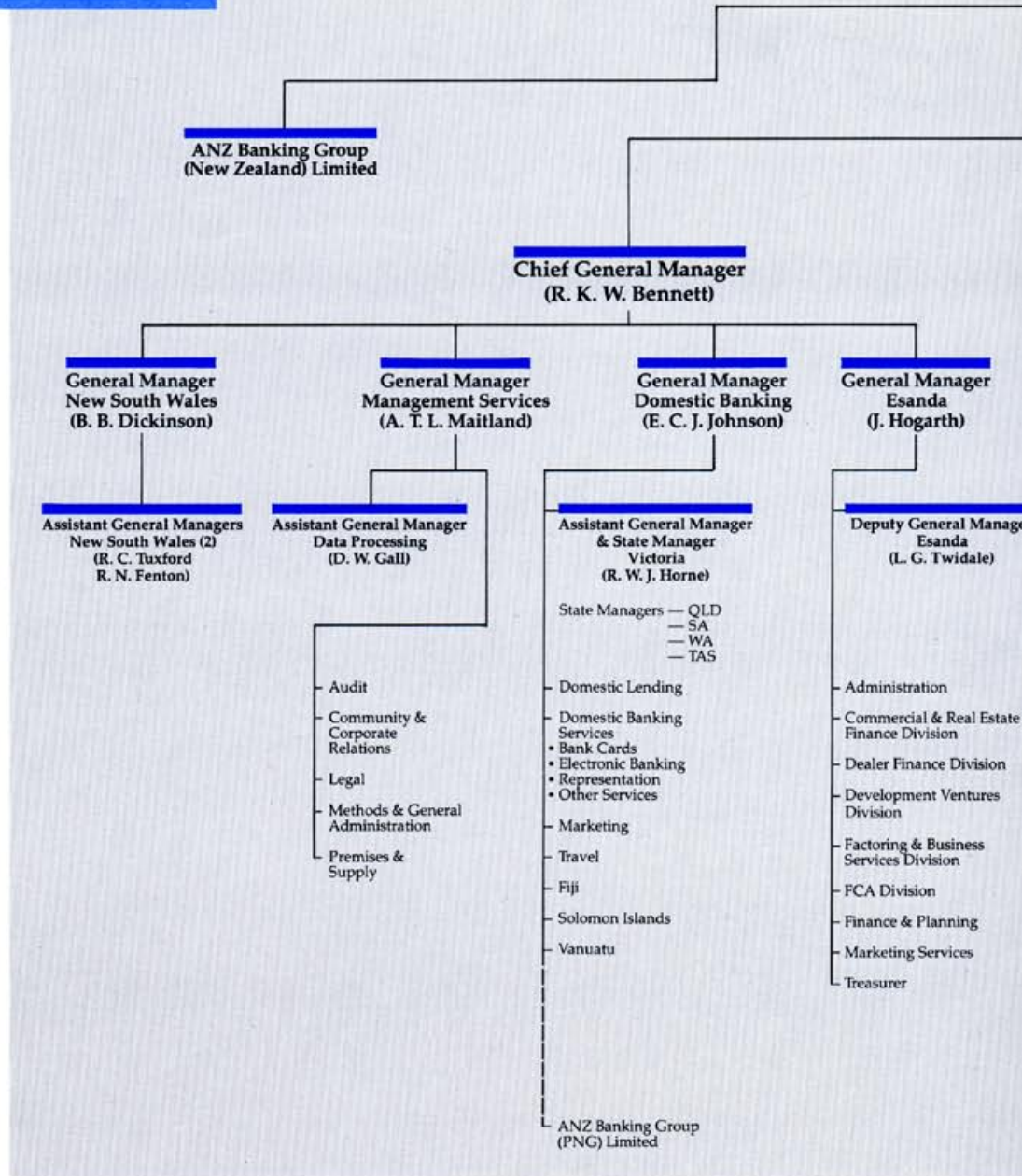
L-R: **A. T. L. Maitland**,  
General Manager —  
Management Services;  
**E. C. J. Johnson**,  
General Manager —  
Domestic Banking



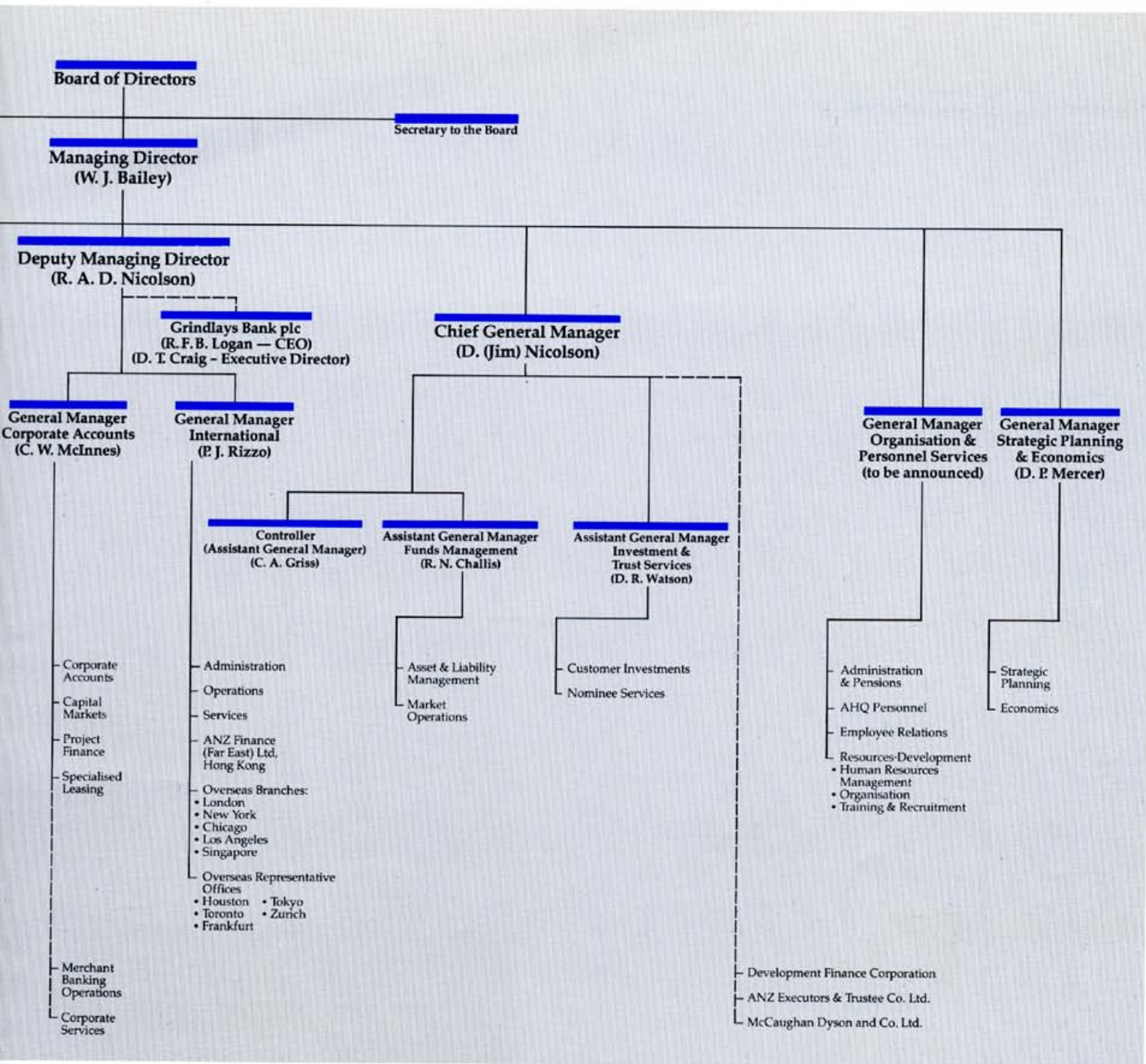
L-R: **R. A. D. Nicolson**,  
Deputy Managing Director;

**P. J. Rizzo**,  
General Manager —  
International;

**C. W. McInnes**,  
General Manager —  
Corporate Accounts.







L-R: D. Nicolson,  
Chief General Manager —  
R. K. W. Bennett  
Chief General Manager —  
D. P. Mercer,  
General Manager —  
Strategic Planning  
and Economics.

L-R: B. B. Dickinson,  
General Manager —  
New South Wales;  
W. J. Bailey,  
Managing Director;  
J. Hogarth,  
General Manager —  
Esanda



# The Company

## The Company

The history of ANZ Bank dates back to 1835 when the Bank of Australasia was established in London by Royal Charter.

Since then a series of mergers, plus natural growth, have made ANZ one of the biggest companies in Australia and among the top 100 banks in the world. At 30th September 1984 Group assets totalled \$35,855 million.

ANZ transferred its domicile from England to Australia in 1976. About 81 per cent of the shares are now registered in Australia, 18 per cent in the United Kingdom, and one per cent in New Zealand.

The Group has 1,649 points of representation around the world, including 1,217 in Australia. World-wide staff total 36,789 of whom 22,619 are in Australia. About 2,923 of the total staff are part-time employees.

With its wholly owned subsidiary, Grindlays Bank plc, ANZ is represented in 45 countries with whom about 70 per cent of Australian and New Zealand overseas trade is conducted.

The Bank has links with correspondent banks throughout the world.

ANZ provides general finance facilities through Esanda and its subsidiary, FCA, in Australia, and UDC in New Zealand. Other services include travel, trustee, investment, nominee, and general insurance.

Merchant banking facilities are provided through Development Finance Corporation (DFC); Grindlays Australia Limited; and the 40 per cent-owned Australian International Finance Corporation (AIFC); and in New Zealand through UDC Mercantile Securities.

## The Company's Objectives

ANZ's mission is to provide a comprehensive range of financial and related services and so earn profits which properly reward the investment of shareholders and ensure the Group's continued growth.

In pursuit of its mission, the Group aims to:

- maintain a strong and growing presence in the Australian and New Zealand financial services markets, and develop a substantial international network of regional banks to meet the global needs of customers
- provide a full, innovative range of banking, finance, investment and advisory services required by a wide range of customers
- maintain the very highest prudential standard as a custodian of funds deposited or entrusted to it
- ensure that high quality services are provided which are fully competitive and incorporate the benefits of new technology for greater customer convenience
- pursue personnel policies which recognise the aspirations and skills of all staff, preserving and enhancing its status as an equal opportunity employer
- be a sensitive and responsible corporate citizen in all the countries in which it operates.



Night & Day Banks provide customers with quick and convenient access to funds 24 hours a day, 7 days a week.



# Chairman's Report

Group profit before extraordinary items rose by 35.9 per cent to \$269.0 million, reflecting an improvement in the Australian and international economies, and an innovative and positive response by ANZ to increased competition.

Increases in earnings and asset backing per share were also achieved. The profit represented a return of 21.9 per cent on average shareholders' funds excluding the proceeds of the rights issue and the effect of the revaluation of properties, both of which occurred at the year end. On a fully comparable basis the return in the previous year was 17.5 per cent.

A renounceable rights issue of 60,905,301 ordinary shares to existing shareholders was announced on 13th June 1984 on a one-for-four basis closing on 7th September 1984, and was 95.9 per cent subscribed. To commemorate the 150th anniversary of the commencement of the Bank's operations, a bonus issue is proposed by the directors on the basis of one new ordinary share of \$1 fully paid for every 10 shares held.

The new shares arising from the rights issue and the proposed bonus issue will participate in the recommended final dividend of 15 cents per share, making a total of 30 cents for the year.

Also, it is proposed to introduce a dividend reinvestment plan for the benefit of shareholders which will provide them with the option to allocate all or part of their dividend payments to the purchase of new shares in the Company at a five per cent discounted price. Details of the plan are included in the enclosed notice of meeting.

The contribution of staff to this year's improved results will be acknowledged under the Bank's profit sharing scheme, and will amount to \$17.3 million pre-tax, compared with \$10.4 million last year.

In keeping with the progress achieved in the previous year, the Bank has continued to refine and expand its range of financial services with significant developments in both domestic and international markets.

In domestic, corporate and international arenas, ANZ is well positioned to maximise opportunities in what is now a more competitive, deregulated environment.

## Retail banking initiatives

Within Australia major investment continued in the development of electronic banking services which are being introduced in order to reduce the escalating costs associated with paper-based transactions. ANZ is the first nationally operating bank to develop a fully integrated system which provides instantaneous access for funds transfer and account information for customers.

## Financial services

Investment and trust banking services were further broadened during the year with the acquisition of a 50 per cent interest in stockbrokers McCaughan Dyson & Co Ltd. Settlement of the acquisition of Development

Finance Corporation Ltd (DFC) whose main subsidiary is Australian Fixed Trusts Ltd (AFT) and the trust business of ANZ Executors & Trustee Company was also finalised during the year.

ANZ now has approximately \$3 billion of funds under management and in addition \$4 billion in custodial holdings, placing the Group as one of the largest operators in Australian investment markets.

## Corporate banking services extended

Corporate sector services were also extended during the year with the introduction of ANZTELL, a videotex information system for business and with the establishment of a Capital Markets Group. Corporate banking services are well placed to consolidate and expand activity in the Australian and international corporate sector.

## International banking strengthened

On 13th June 1984 the Bank announced its intention to acquire the British based Grindlays Bank plc. Acquisition became effective on 7th September. ANZ directors have joined the Grindlays Board and senior ANZ executives have been introduced into Grindlays' management. Action has been taken to assist Grindlays to bring its profitability to an acceptable level. Whilst maintaining this new member of the ANZ Group as a distinct British bank under the regulatory control of the Bank of England, it has been possible to plan to achieve rationalisation with ANZ operations in countries where overlap occurs, with beneficial effects on profits.

Through Grindlays Bank as a fully owned subsidiary, ANZ is able to offer an extensive global service and banking operations in areas encompassing about 70 per cent of Australian and New Zealand overseas trade. ANZ now has an operational presence in 45 countries, compared with 14 countries prior to the Grindlays Bank acquisition. This network is matched by few banks in the world, and makes ANZ Australia's only truly international bank.

ANZ's international presence was further strengthened during the year with the establishment of representative offices in Toronto, Zurich and Frankfurt, and a North American Administration located in New York.

Foundation membership of The London International Financial Futures Exchange (LIFFE) has also strengthened ANZ's international presence, and the public issue of Bonds denominated in European Currency Units (ECUs) during the year was the first by an Australian entity.

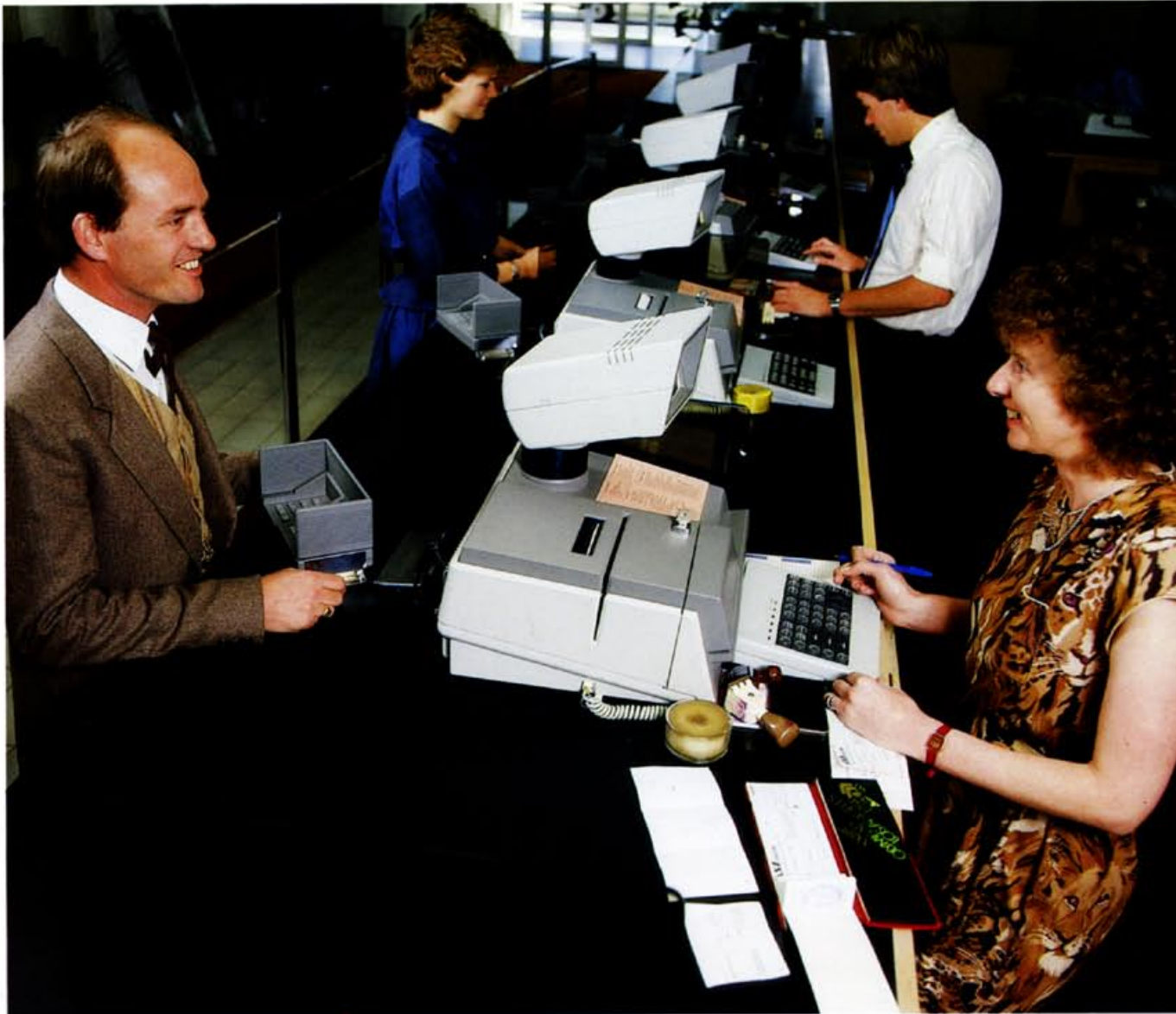
## Economic overview

The Australian economy in 1983-84 made a significant recovery from the recession of 1982-83. Reflecting a major improvement in rural output, increased government spending and a revival in the housing construction industry, a strong increase was recorded in real gross



# *Chairman's Report* (continued)

Recently installed Transaction Banking terminals in the customer service area of Camberwell (Victoria) Area branch. Access to funds and account information will be provided nationally through the electronic Transaction Banking system by December 1985.



domestic product. Despite this apparent strength, the 1983-84 economic recovery was not broadly based. Much employment growth was concentrated in the public sector and private business investment declined for the second year in succession, while private consumption spending grew only modestly.

Continued economic progress in the year ahead will depend on recovery extending further into the private sector. Currently there are indications that private investment could record moderate real growth in 1984-85 while growth in personal consumption spending, so far subdued, could benefit from the recent reduction in

personal income tax. Some further easing in the rate of price inflation could occur during the current year, following the sharp fall recorded in 1983-84. With the negative movement in the Consumer Price Index in the six months to June 1984, no increase in award wages is expected before April 1985. As a consequence, the wages component of labour costs is expected to grow more slowly in the current financial year, and should assist business sector confidence engendered through improved profitability and the generally improved level of economic activity. Nevertheless, upward pressure evident in the area of labour 'on costs' is a matter of concern.



Internationally, economic growth among industrial nations as a whole is forecast to slow in 1985 reflecting in large part the projected return to more moderate growth in the USA. As a result, overseas demand is likely to be insufficient to effect any real improvement in Australia's trade balance in 1984-85 as import growth has strengthened with the improvement in domestic economic activity. Nevertheless, despite less buoyant conditions overseas, the Australian economy has an opportunity in the year ahead to build on the achievements to date, provided that business confidence can be sustained and further progress can be made in slowing wage and price inflation and in implementing structural reforms.

Looking further ahead, progress in deregulating the financial sector by removing rigidities and allowing market forces greater play needs to be translated to other areas of the economy. Critical issues requiring resolution include labour market and wage rigidities, trends in government sector expenditure and taxation, external sector constraints and the deregulation and restructuring of industry, encompassing the primary, secondary and tertiary sectors. The process already begun of consultation and inquiry into these matters is encouraging.

In February 1984 the report of the Martin Review Group on the Australian financial system was released and ANZ welcomed the general thrust of the recommendations towards greater reliance on market forces.

Further significant steps were taken during the past year to lift the burden of regulation on banks and to free up the Australian financial system. In particular, the removal of maturity restrictions, which previously prevented banks' acceptance of very short term deposits and long term deposits, has enhanced the competitiveness of banks and provided the community with a wider choice of investment facilities.

ANZ also welcomed the Government's momentous decision in December 1983 to float the Australian dollar and to dismantle a large part of exchange control regulations. This initiative has had the effect, inter alia, of imparting significantly greater stability to domestic monetary policy management, while providing an impetus to closer integration of the Australian economy, including its financial system, with the international economy.

### **The way ahead**

In September 1984 the Federal Treasurer called for applications from both domestic and foreign interests wishing to participate in banking in Australia. He emphasised the Government's belief that the establishment of new banks will bring substantial benefits to the Australian community through the development of a more innovative, efficient and competitive financial

sector. ANZ considers that the impact of the additional competition expected to accompany the entry of new banks will not be fully realised unless the remaining interest rate controls that apply to banks' lending are removed.

The fact that we are now facing a new and more competitive environment both domestically and internationally is well recognised by the Board and management of ANZ. Competitive pressure will intensify as newly licensed banks become established and as existing banks and financial institutions adjust to the evolving market place realities. By the measures already taken to broaden and strengthen considerably the ANZ range of financial services in Australia and world-wide, we believe we have done much to prepare for these changed conditions. Nevertheless the challenges ahead will demand of us the highest levels of performance.

### **Board changes**

During the year Mr A. G. Kilpatrick retired as a director. His dedicated services to ANZ as an employee from 1941 and as a member of the Board since 1981 is acknowledged by the directors.

The Board welcomed the appointment of Mr W. J. Bailey and Mr R. A. D. Nicolson as directors of the Company in July 1984. Both were chief general managers of the Bank at the time and have had long service with the Bank.

Upon the acquisition of Grindlays Bank group, Mr A. J. O. Ritchie, chairman of Grindlays, accepted an invitation to join the ANZ Board. Mr Ritchie has had 34 years in banking in the United Kingdom and in the many countries where Grindlays operates.

Sadly, on 12th November 1984 Mr J. D. Milne, the managing director, died after an illness that had persisted for several months. He had made an outstanding contribution during a career spanning 45 years. During the last four years ANZ, under his leadership as chief executive, has grown significantly, and become a major financial institution of world standing.

He was succeeded on 19th November 1984 by Mr W. J. Bailey and Mr R. A. D. Nicolson has been appointed deputy managing director.



*Chairman*



# Review of Operations

## The Year's Results

Group operating profit for the year to 30th September 1984, excluding extraordinary items and minority interests, was \$269.04 million, an increase of 35.9 per cent on the 1983 result of \$197.90 million. After net extraordinary item losses of \$146.89 million (\$0.15 million loss in 1983), consolidated profit was \$122.15 million compared with \$197.75 million in 1983.

The net extraordinary items loss of \$146.89 million includes the write-off in full of goodwill arising from the acquisition of Grindlays Holdings plc (\$115.27 million) and Development Finance Corporation Limited (\$28.26 million) which were acquired during the year.

The improved operating result was due mainly to the strong performance by the parent trading bank, a good increase achieved by the Australian savings bank and the inclusion of profits from Development Finance Corporation for the first time.

The parent trading bank earned higher profits from both its Australian and overseas operations. In Australia, higher interest earnings were generated from investment assets and a lower cost of funds resulted from a better mix of borrowings. In overseas centres, higher earnings were achieved and an improved doubtful debt position led to a lower charge to profit than in 1983.

The higher Australian savings bank result was due to the larger deposit base and sound management of investible funds.

The New Zealand group also recorded a good increase in profits when expressed in New Zealand dollars mainly due to an improved share of domestic banking business and additional international business arising from marketing initiatives. When converted to Australian dollars the New Zealand group result was only marginally higher than in 1983 because of the effect of the devaluation of the New Zealand dollar.

Despite strong gains in new retail business writings, the combined Esanda/Finance Corporation of Australia result was slightly lower than in the previous year due to a narrowing of interest margins. The finance group's bad debt experience improved markedly.

Development Finance Corporation group recorded a pleasing result in its first year as a member of the ANZ Group. The major profit contribution came from the Australian Fixed Trust operations where a 23 per cent increase in sales was achieved.

Acquisition of the Grindlays group became effective in September 1984 and the results of that group will be included in the ANZ Group's results from 1st October 1984.

For the 9 months to 30th September 1984 Grindlays recorded a profit of \$5.00 million after tax and before special items. After a special transfer to general provision

for doubtful debts of \$120.00 million, mainly in relation to sovereign risk exposures and an extraordinary item loss of \$0.53 million, an after tax loss of \$78.20 million was incurred. The special transfer to general provision was based on the more conservative criteria applied by the ANZ Group.

The Grindlays balance sheet has been consolidated in the Group's accounts at 30th September 1984 resulting in an increase in total assets of approximately \$9 billion.

To reflect the current value of the Group's properties, a revaluation of freehold land and buildings was undertaken during the year. Properties with a market value in excess of \$1.5 million were valued by independent valuers. Other properties were revalued to directors' valuation.

The property revaluation resulted in the crediting of \$293.9 million to the revaluation reserves of the Group.



Dealer's work station in the foreign exchange section of International Division at Administrative Headquarters, Melbourne.



## The Australian Banking Environment

### Overview

During the year, we experienced the greatest change in the operating environment for banks in living memory. Moves to deregulate financial markets, the floating of the Australian dollar and dismantling of most exchange control regulations have taken place at the same time as we have felt the first real effects of the electronic banking developments. The market changes will be further affected by the entry of new banks, both domestic and foreign.

In ANZ, this environment of change has been further accentuated by the effect of the acquisition during the year of Development Finance Corporation Limited (DFC) and its main subsidiary, Australian Fixed Trusts Limited (AFT), plus the business of ANZ Executors & Trustee Co. Limited (ANZET). This lateral expansion in financial markets adds to the range of services we can offer to our customers.

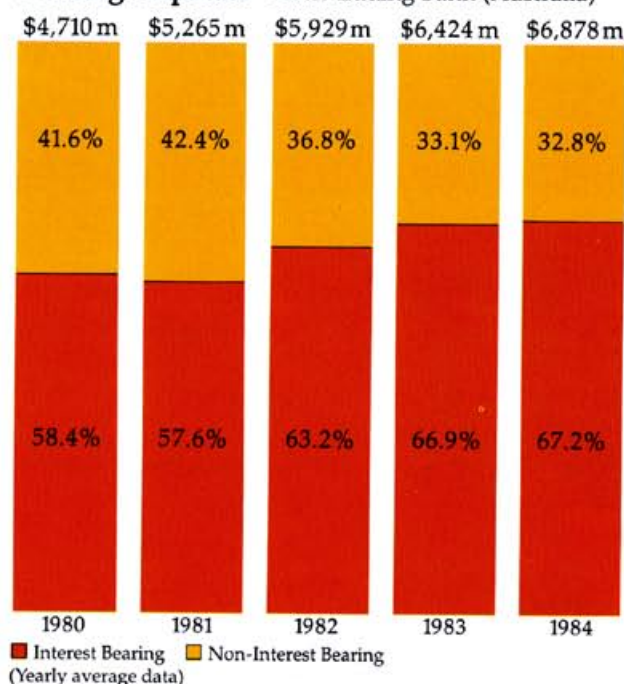
The result of all this activity is that the size of the market in which we operate has expanded dramatically and that we now deal through a wide range of delivery systems; our traditional branches are being supplemented by an ever-increasing range of electronic devices, some of the self-service variety – Night & Day Banks – and others with attendant personal service.

With the expansion of the size of the market, through substantial removal of the regulatory fence around banking, there have been counter moves by non-bank financial institutions to maintain their presence. This has led to claims by them to join the transaction banking industry by having the right to issue cheques and to join the clearing system. ANZ's policy has been to endorse the findings of both the Campbell and Martin Committees, namely that only licensed banks should issue cheques and be members of the clearing house payments system. Australia is fortunate that its payments system is second to none in the world, offering immediate credit for funds deposited around Australia, be they cash or cheques, and where the members of the system have undoubted faith in each other's financial stability and integrity. A chain is only as strong as its weakest link, and so is a payments system.

However, perhaps the greatest change ANZ is having to manage relates to the culture of the organisation. From working in a regulated environment, we now face the reality of being market responsive in a truly competitive industry. Satisfying customer needs at a profit has taken on a new meaning. It is pleasing to record that our staff have eagerly accepted the challenge.

Considerable resources are being devoted to staff training to ensure that our people at all levels in the Group are aware of what is needed of them. Specific skills training is included. Additionally, specialist posts in Areas and large

### Proportion of Interest & Non-Interest Bearing Deposits - ANZ Trading Bank (Australia)



branches have been created to ensure on-the-job customer service performance matches our corporate philosophy.

During the year we undertook a corporate image publicity campaign aimed at creating a favourable perception of ANZ in the community. This was in recognition that whilst ANZ had a sizable list of firsts in banking, we had not been visible in claiming credit in the community. In a market-driven environment, it is an advantage to have a reputation for being innovative and creative, as well as providing a high level of professional service. The promotion – "ANZ The Bank That Serves You Best" – and its associated sponsorships and product advertising, has helped to reposition the Group in the public arena. The Olympic Games sponsorship was particularly successful and it is pleasing that the associated TV commercial "The Winners" won the American Bank Marketing Association "Best of TV Award" for creative excellence.

It is in this changing and dynamic environment that we review specific sectors of our business over the year.

### Trading Bank in Australia

Total ANZ trading bank deposits averaged \$6,877 million for the year ended September 1984, an increase of 7.1 per cent on the previous year, which was slightly lower than the average growth for the major trading banks of 7.7 per cent. The growth rate for ANZ deposits picked up towards the end of the year when deposit growth surpassed that of the major trading banks as a group.



# Review of Operations (continued)

Consistent with the industry trend, the proportion of ANZ deposits held in non-interest bearing current accounts declined further in the year ended September 1984, averaging 32.8 per cent of total ANZ deposits compared with 33.1 per cent in the previous year. A factor behind this trend is the concern of depositors to maximise the return on their funds. There was substantial switching of deposits from the trading bank to the savings bank during the earlier part of the reporting period when interest rate movements generally favoured savings bank deposit facilities relative to trading bank deposits.

A number of new trading bank deposit facilities were introduced by ANZ during the year in response to the lifting of remaining deposit maturity restrictions on 1st August 1984. These included the launch of Call Deposits (whereby deposits of at least \$20,000 can be accepted for a period of seven days and then at 24 hour call), and Short Term deposit facilities (a money market facility for the acceptance of large deposits for very short terms). In addition, an innovative approach to marketing was initiated with the launching of ANZ's Escalator Deposits, a new form of interest-bearing deposit.

Usage of overdraft facilities fluctuated widely during the year, particularly in the larger customer sector where demand for funded lines generally was weak. The average of ANZ trading bank advances increased by 7.9 per cent during the year to September 1984, compared with 9.5 per cent in 1982-83.

While interest rates on loans in the under \$100,000 category were generally stable during the year, those in the \$100,000 and over sector were varied frequently, but at lower levels than those which applied during 1982-83. This was due to easier liquidity conditions and the soft demand for finance which applied during the greater part of the year.

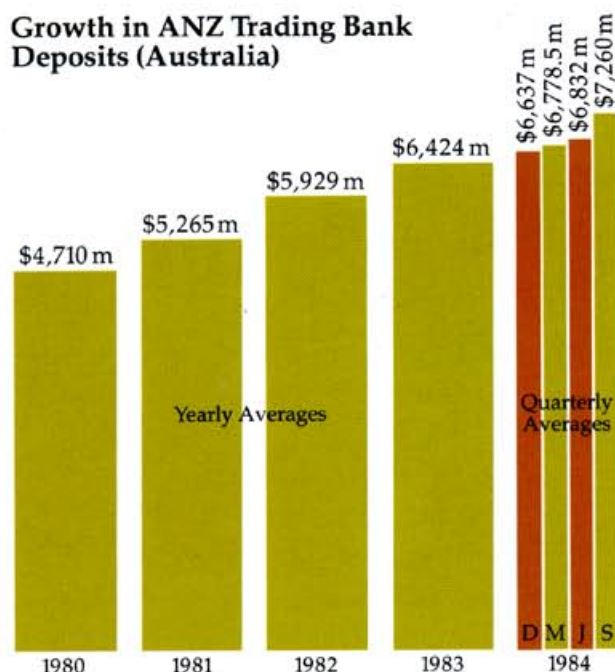
## Savings Bank in Australia

During the year to September 1984, ANZ's average savings bank deposits increased by 25.0 per cent to \$3,604 million, well above the 18.2 per cent growth for the previous year. Reflecting this strong growth, ANZ's average share of all savings bank deposits rose to 10.72 per cent from 10.03 per cent last year.

A major impetus to ANZ's deposit increase came from Access Accounts, assisted by competitive interest rates and a strong marketing emphasis. Investment Accounts also contributed to savings bank deposit growth, particularly in the early months of 1983-84 when interest rate relativities with trading bank term deposits frequently favoured these accounts.

Competition for household savings continued to be reflected in the increased proportion of savings bank deposits held in accounts bearing higher interest rates. This trend is expected to continue, adding to the savings bank's overall cost of deposits. It is unlikely that the level

## Growth in ANZ Trading Bank Deposits (Australia)



of savings bank deposit growth experienced in 1983-84 will be repeated during 1984-85 because of the wider range of competing investment avenues offered by an expanding economy and the likelihood of a lower level of precautionary savings by households, a trend normally associated with improved economic growth.

## Retail Banking

ANZ has continued selectively to extend and upgrade its representation network to service growth areas. In Australia, five new branches and ten service centres were opened during the year. In addition, seven sub-units were upgraded to full branch status and one was refitted as a service centre. Four branches were closed where there was dual representation and one was converted to a sub-branch.

Serving the customer has taken a new step forward this year with the conjunction of two major events – deregulation and further advances in electronic technology.

From 1st August, when maturity controls on bank deposits were removed, ANZ responded by introducing new deposit products and by offering a wider choice of term and interest rate for both retail and wholesale deposits. On 30th July the retail service, Escalator Deposits, was launched. This attractive investment medium, where the interest rate increases each month for 12 months and with funds withdrawable at 24 hours' notice, has been highly successful.



During September ANZ's new personal "money management" service, ANZ Five Star Account, was introduced. This unique service is an integrated package which provides all the basic financial needs of personal customers. It pays interest on their savings, provides for transaction services using both cheques and ANZ's electronic Bankcard, gives access to a credit line and provides a bill paying service.

ANZ is committed to extending further its range of products and services in ways that are innovative, competitive and responsive to the needs of its customers. In this regard, ANZ's popular Blue Ribbon Service has been enhanced. It now contains more exclusive features, including trustee services provided by ANZ Executors & Trustee Co. Limited.

### Electronic Banking

Considerable developments took place in the Bank's electronic banking programme during the year.

Night & Day Bank, our ATM network, has expanded and approximately 200 units will be operating around Australia by December 1984. Use of this service by ANZ cardholders has exceeded expectations and the network will be expanded further during 1985.

Transaction Banking, based on electronic teller terminals, was successfully launched earlier in 1984 and the system is now being progressively extended to all States. It is planned to have all Australian branches linked to this state of the art system by December 1985.

A significant new development during the year was the introduction of electronic funds transfer at the point of sale (EFTPOS). A customer using an ANZ Transaction Card is now able to purchase goods at selected retail outlets and have the transaction charged direct to a bank account. The retailer's account is simultaneously credited. Pilot projects are being undertaken, and early results are encouraging. The service will be expanded during 1985 to enable debit and credit cards, including ANZ Bankcard and ANZ Visa Card plus cards issued by other financial institutions, to be included in the system.

### Bankcard

Bankcard remains an important component of ANZ's range of retail banking services to the personal customer. In 1983-84 Bankcard activities continued to grow.

Total ANZ merchant outlets rose by 19.1 per cent to 39,700 during the year, and ANZ merchant sales increased by 22.7 per cent to \$1,248 million. Merchant income growth has continued to show the effect of intense competition which has led to a general lowering of merchant service fee rates in the industry.

The number of cardholder accounts increased by 11.2 per cent to 770,000 at September 1984, and cardholder outstandings increased by 15.8 per cent to \$371 million.

Part of the network operations section at the data processing complex in Melbourne.



However, income growth continues to be impeded by the regulatory 18 per cent per annum credit charge which has remained unchanged since the launch of Bankcard ten years ago.

Bankcard continues to provide an excellent customer related service as a basic credit card. As ANZ further develops the electronic Bankcard, its use will be extended beyond its traditional credit card role to act in accessing Night & Day Banks, ANZ's in-branch Transaction Banking network and EFTPOS.

### Visa Card

At the launch of ANZ Visa Card on 6th February, ANZ set out to establish itself as the leading Visa bank in Australia.

Account acquisition of 120,000 cardholder accounts is ahead of projected growth estimates. Cardholder outstandings amount to \$38 million.

Particularly pleasing, and an indication of the value of the Visa Card to the Australian traveller, is the high proportion of applicants for ANZ Visa Card who did not have any connection with ANZ Bank.

Another pleasing aspect is the high proportion of major merchants who have signed with the Bank. After 10 months of operation, ANZ has 38,000 merchant outlets accepting Visa, and a high proportion of these outlets did not have previous customer connection with the Bank. Merchant sales totalled \$48 million.

ANZ Visa Card will provide customers with a similar range of electronic banking services as available to ANZ Bankcard customers, plus the added benefit of being an internationally accepted card.



# Review of Operations (continued)

## American Express Gold Card

This product is valued by our prestige cardholder market and continues to show steady growth.

Line of credit accounts increased by 54.7 per cent to 21,000. Outstandings increased by 88.1 per cent to \$14 million.

## Travel

Although facing a year of high competition, ANZ Travel continued to perform well with a turnover of \$98 million in 1983-84. This represents a sales growth of 22 per cent.

## Financial Services

During the year further moves were made to enhance services offered by the Bank in the investment and trust banking areas.

The acquisition of Development Finance Corporation Ltd whose main subsidiary is Australian Fixed Trusts Ltd, was successfully completed, and AFT equity and property trust units are now available through ANZ branches. ANZ Executors & Trustee Company Limited has consolidated its position in the industry and is taking initiatives for utilising ANZ's diversified representation points for marketing its services.

The recent acquisition of a 50 per cent interest in stockbrokers McCaughan Dyson & Co Ltd will introduce traditional share broking to the range of services offered by the Bank, as well as strengthening our corporate banking activities in the area of capital issues and fixed interest placements.

There is a very definite trend in Australia for people to seek a co-ordinated approach to the management of their financial assets and it is intended to satisfy all these needs within the Group. ANZ also believes it can offer a higher level of personalised service by maintaining the separate identity of individual subsidiary companies which all have excellent reputations in their established areas of expertise.

The ANZ Group is now one of the major operators in Australian investment markets with approximately \$3 billion of funds under management and \$4 billion in custodial holdings, and continues to strengthen resources to cater for the growing demand both in Australia and from overseas for professional management of investment funds.

## Management Services

### Data Processing

ANZ is well positioned to apply the most modern financial systems technology. Considerable expenditure and effort is proceeding to ensure that the Bank's data base software has the accessibility and flexibility to enable it to support the demands of a totally integrated electronic banking network.

The traditional paper transaction (cheque) is increasingly expensive to collect, enter, transport and store.

Technology introduces the plastic card as the customer's key to the banking system and replaces paper by electronic entries. ANZ has a complementary set of banking services which is evolving towards a progressive replacement of the cheque, paper voucher and cash by customer-initiated electronic account transactions.

Equipment has been installed at the Group's major computer centres in Melbourne to support the electronic delivery of financial services which include Transaction Banking (ANZ's in-branch electronic banking system), Night & Day Bank ATMs, electronic funds transfer at the point-of-sale (EFTPOS), ANZTELL (ANZ's videotex information system), and ANZCASH (ANZ's cash management service).

Further services, now at the research and development stage, will ensure that ANZ continues to offer a superior portfolio of electronically delivered services. These services represent new opportunities for revenue generation as well as helping to reduce ANZ's administrative overhead costs.

### Premises

With the increasing range of customer services and the accent on delivery of these services – in particular by electronic systems – ANZ is very conscious of physical aspects of customer contact within our points of representation. Premises concepts, design and layout are under constant review to ensure that dealings with existing and potential clients take place in surroundings which will positively enhance such contact. This will become increasingly important with the entry of new competitors who will have no commitment, either traditional or financial, to infrastructure and designs of the past.

### Community and Corporate Relations

ANZ Bank advertising activity increased during the year, reflecting intense competition from other financial institutions. A major advertising campaign promoting the image of ANZ as 'the bank that serves you best' was launched in conjunction with a highly successful Olympic Games sponsorship, and initial results of this campaign indicate a favourable response by the community.





Electronic funds transfer at the point-of-sale (EFTPOS) equipment being used at a Shell service station, and providing transfer of funds within 15 seconds.



# Review of Operations (continued)

Innovative advertising in domestic and international markets has also contributed to successful marketing of new products and services for the Group.

During the year ANZ continued its involvement in sponsorship of major community activities as a tangible indication of its community responsibilities. In December 1983, the Bank sponsored a national telecast of 'Sing-it-Yourself Messiah' which was held in Canberra, and in May 1984 sponsored the Australian Cerebral Palsy Association's 'Superwalk Australia'. ANZ is actively involved in many other areas of community support activities including conservation, education, health, and the Arts. In particular, during the year the Bank sponsored the establishment of the ANZ Pavilion, a unique and prestigious area at the recently opened Victorian Arts Centre. The ANZ Pavilion will be used for a wide range of community activities including cabarets, receptions, seminars and displays. The sponsorship recognised the State of Victoria's 150th anniversary and the Bank's 150th anniversary.

## Corporate Banking

ANZ maintained its leading position in the corporate banking and finance market.

The changing economic and banking environment underlined the need to meet demand for finance in innovative ways to suit the market's sophistication. Efforts made in developing new and varied facilities and funding capabilities both onshore and offshore were well rewarded.

In recognition of the changing market, ANZ developed a Capital Markets Group to consolidate and expand activity in Australian and international capital markets. Access to world capital markets is vital to corporate customers.

In the mining and resources sector, ANZ retained a leading role with significant participations such as the Dalrymple Bay and Abbot Point Coal Ports facilities, and the Curragh Coal Project in Queensland.

The Bank's aim of achieving a "full service" role with corporate customers saw significant progress through initiatives in the Advisory Services area and in continued development of computer based facilities. ANZCASH, the Bank's own cash management system, has proved highly successful and enhancements are planned to give it even wider acceptance.

ANZTELL, a videotex system, was launched in August 1984 and provides a wide range of financial and market information to subscribers, including foreign exchange rates, money market rates, stock exchange prices and economic commentary.

## International Banking

In a year of market volatility and significant changes in the international financial system, 1983-84 was a challenging period for international banking.

Within Australia, floating of the Australian dollar, virtual dismantlement of exchange control and the licensing of 37 new non-bank foreign exchange dealers continued the trend of growing change and competition. Despite these challenges, international operations increased their contribution to the Bank's result.

As foreshadowed in 1983, the foreign exchange dealing rooms in Melbourne and Sydney were upgraded, specialist staff increased and new customer services were introduced. Also, an extensive survey and analysis was undertaken on ways to improve further the servicing of the retail and commercial market. Consequential changes to systems, services and pricing policies are being implemented progressively.

All offshore offices continued to operate in a highly competitive environment with interest rates remaining generally high and margins compressed. Notwithstanding, profits were satisfactorily maintained with solid contributions from foreign exchange income and fee earnings.

New Representative Offices were established in Toronto, Zurich and Frankfurt and a North American Administration, located in New York, was installed. Also during the year New York branch moved into newly renovated premises at 120 Wall Street, thus consolidating operations. In addition to increasing our customer contacts, ANZ continued to widen its funding sources with issues in the Swiss Franc private placement market and the public issue of the equivalent of US\$43 million in European Currency Units – the first such issue by an Australian entity. In the United States, ANZ (Delaware) Inc. was established as a vehicle to expand significantly the Bank's commercial paper programme.

The London and Guernsey operations continue to expand profitably, and foundation membership of The London International Financial Futures Exchange (LIFFE) has proved valuable.

The Bank's wholly-owned deposit taking company in Hong Kong (ANZFIN) experienced a difficult year operating in a market depressed by uncertainty of the future of the British Crown Colony after 1997, and by a downturn in the real estate market. Also, following floating of the Australian dollar, a considerable amount of trading in that currency, formerly transacted in Hong Kong and Singapore, moved to Australia. However, both Hong Kong and Singapore produced satisfactory trading results.

The world debt problem entered a new phase with the move towards multi-year and more flexible rescheduling. This, together with continued economic recovery in key economies and a greater willingness by parties in co-operating to manage the debt problem, has enabled the restructuring process to take place within a more stable environment.





ANZ Bank's London foreign exchange dealing room.



# Review of Operations (continued)

In a world of increasing interdependence, it is most important that all interested parties continue to co-operate in settling the worst features of the debt problem and in restoring normality to the world's financial system.

Acquisition of Grindlays Bank group towards conclusion of the accounting year places ANZ in a unique position among Australian banks. Indeed, it gives ANZ a global representation and coverage of services equalled by few other banks throughout the world. Accordingly, customer requirements will be better catered for, and ANZ is better positioned to meet competition from foreign banks when they are permitted banking operations in Australia.

The greater diversification and resources of the combined Group provide strength and stability in a volatile and competitive world banking arena.

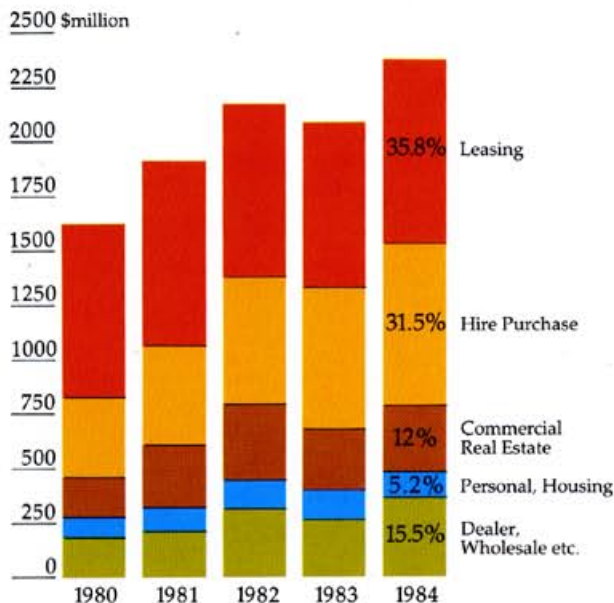
## Esanda

Improved service and efficiency of operations were key focus points during the past year, accompanied by further development of computer systems now operating Australia-wide. Also, new Esanda offices were opened at a number of points to aid marketing activities.

Further steady growth was achieved in the Factoring and Business Services Division during the year. This Division expanded its operations to Sydney in November 1983, and it is planned to commence operations in other States.

Improved business conditions during the year allowed the Company to achieve \$1,288 million in new business writings, up 34 per cent on the levels of 1982-83.

### Movement in Esanda's Business Mix



Accordingly, growth has been restored to the base of lending assets, showing an increase of 12 per cent in year-end net outstandings compared with the reduction of 4.6 per cent experienced the previous year. However, intense competition in the finance industry reduced interest margins.

Improved economic conditions have also enabled a significant improvement in the incidence of bad debts. The position showed progressive improvement through the year with \$9.2 million net bad debts being recorded for 1983-84 compared with \$21.5 million in 1982-83.

Following a reduced requirement for new borrowings in 1982-83, there was a strong recovery in borrowings outstanding during 1983-84 in line with greater business writing activity. With the progressive deregulation of domestic financial markets stronger competition for funds has been evident, especially in respect of borrowings from the household sector. While support for prospectus issues has remained strong, interest rates have held at relatively high levels and funds intake has been supplemented by institutional borrowings.

## Finance Corporation of Australia

The Company wrote record levels of new business for the year, with demand for facilities accelerating during the second half. New business writings totalled \$319 million compared with \$229 million for 1982-83 mainly as a result of the improving economy. This was especially relevant to real estate related activity where pent up demand for housing resulted in increased activity.

Net outstandings passed \$500 million for the first time, reaching \$515 million – or a growth rate of 18 per cent – at year end.

As was the case with Esanda, intense competition saw a lowering in profit margins.

Profit contribution from development ventures of \$7.1 million was a noticeable improvement on the previous year's contribution of \$1.7 million.

Following transfer of ownership of FCA to Esanda, the head office of FCA transferred to Melbourne. As part of this re-organisation, funding requirements for FCA are being met by the Esanda Group following closure of FCA's last prospectus in September 1984.

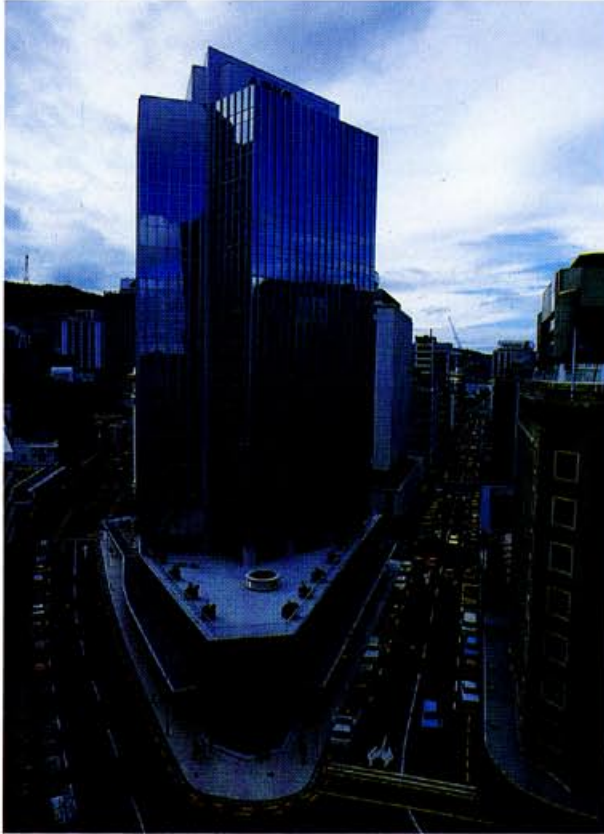
## New Zealand

The performance of the 75 per cent owned subsidiary, ANZ Banking Group (New Zealand) Limited, continues to be very satisfactory.

A major contributing factor to the good result was the efficient management of funds during a year of volatile and uncertain monetary conditions, and in the face of increasing competition among financial institutions. New Zealand Government policy has been directed at restraining monetary growth and curbing inflation.



Spectacular and functional new headquarters for ANZ Bank in Wellington, New Zealand were officially opened in March 1984.



However, demand for finance increased in step with strengthening overseas trading and higher domestic economic activity. This, and the boost to money supply from the large deficit in the New Zealand Government's budgetary position, reflected strong growth in both the domestic and international spheres of the trading bank operation in New Zealand. Furthermore, shares of banking activity were maintained at a high level during the year.

The wholly owned finance company UDC Group Holdings Limited also experienced strong business growth and increased profitability.

There have been significant policy initiatives since the election of a Labor Government in New Zealand on 14th July 1984. In the finance area the emphasis has been on deregulation, with the removal of institutional credit growth guidelines and interest rate controls, and increased reliance on public debt policies to control money supply. ANZ has welcomed these developments and believes that they provide a basis for sound development of the financial system. A slowing in financial activity is expected during 1985, reflecting continuation of tight monetary policies and high interest rates. Competition in the finance sector will remain strong.

Product development has been a priority for the Bank during the year. Meeting the challenges of deregulation and competition has led to a restructuring and enhancement of ANZ's main deposit services and entry into the short term money market.

A highlight was the launch of ANZ Incentive Saver, which is a statement-based savings account. The excellent customer response reflected the competitive interest rate and the attractive terms offered by this product and marketing initiatives.

Following considerable research, ANZ is now participating in a pilot scheme for electronic funds transfer at the point-of-sale, involving about 200 point-of-sale terminals spread among selected retailers. The Autobank automatic teller machine network was developed further during the year and expansion of ANZ's electronic card base and usage of this service is very encouraging.

Another major development directed at enhancing ANZ's services was the extension of banking hours by the trading banks in New Zealand. From early September 1984 branches have been open to the public from 9am to 4.30pm during weekdays.

### Staff

The Board acknowledges that the year's excellent results are due in large measure to the efforts and dedication of the staff.

Deregulation of the banking industry, significantly increased range of financial services being offered through the branch network, and growing use of high technology are requiring ANZ's staff to cope with an unprecedented level of change.

To equip it and the staff better for the future, the Bank has recognised the need for profound changes in its recruiting and progression practices, and in the staffing of branches.

Increased professionalism of staff at all levels is an all important objective. Staff training continues at a high level with almost one-third of staff at management level attending one of nearly 100 courses and seminars at our Residential Training College in Melbourne, and more than 5,000 younger staff attending a variety of non-residential courses at training centres in State capitals.

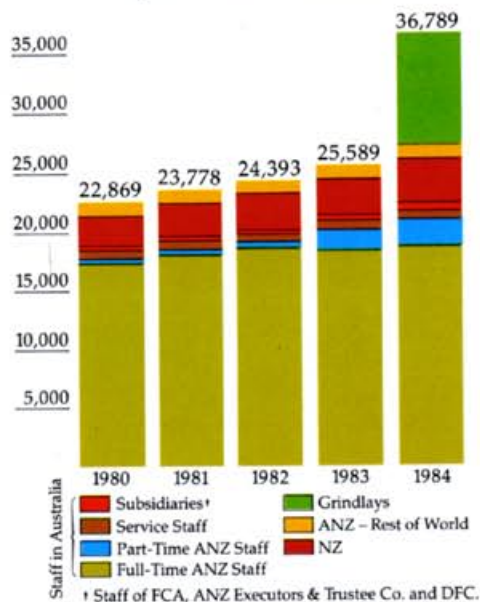
Approximately 900 male and 250 female career staff (12 per cent of total career staff) are enrolled in tertiary education courses, seeking to join the 1,800 (18 per cent) who already hold such qualifications. Also, staff completed 4,300 Bank-provided self development courses in their own time during the year.

Recruitment of tertiary educated persons is expanding each year with more than 300 joining during 1983-84; next year's target is 400 which will be nearly half the career intake.



# Review of Operations (continued)

**Analysis of Staff Numbers**



It is the policy of ANZ to ensure that all staff and applicants are treated according to their skills, qualifications, abilities and aptitudes without regard to factors such as their sex. For this reason, the Bank is pleased to be a participating company in the Affirmative Action pilot programme being conducted by the Federal Government. Four career development seminars for lady officers already have been held and 10 are planned for 1984-85 as part of this programme.

ANZ is also in the process of implementing an occupational health and safety programme. This has involved the establishment of joint staff/Bank committees in each State to address local problems.

During the year, staff purchased a further 408,792 shares under the employee share purchase scheme, bringing the total to 3,118,772 shares. At present 33.1 per cent of eligible staff (those with five or more years' service) are shareholders under this scheme.

In addition, 2,630,000 partly paid shares have been issued to date under a separate share purchase plan for senior staff.

Under the staff profit sharing scheme, provision has been made for \$17.3 million distribution this year, compared with payments of \$10.4 million in 1982-83 and \$9.6 million in 1981-82.

Total full time staff increased from 23,619 to 24,289 during the year, including 263 staff associated with the purchase of Development Finance Corporation. Total part time staff increased from 1,970 to 2,923.

An additional 9,577 staff are employed by Grindlays Bank plc.

## Senior Management Changes

During the year Mr A G Kilpatrick, deputy managing director, retired. The Company acknowledges Mr Kilpatrick's valuable contribution during his 43 years of service.

Following the death of Mr J D Milne, and the appointments of Mr W J Bailey as managing director and Mr R A D Nicolson as deputy managing director, Mr R K W Bennett and Mr D Nicolson were appointed chief general managers.

Several other senior management appointments were made during the year. Mr D P Mercer was appointed general manager - strategic planning and economics, and Mr D T Craig was appointed executive director - Grindlays Bank, located in London. Replacing him, Mr A T L Maitland was appointed general manager - management services.

The senior management structure is shown on pages 4 and 5.

*Managing Director*



Customer service area at 55 Collins Street Branch, Melbourne.



# Outlook

There is room for some confidence that in the current year Australian and, indeed, world economic recovery will continue without a re-emergence of high inflation. Industry re-structuring in many of the key economies will continue and an increase in the overall volume of world trade is anticipated. Particularly in view of the recent acquisition of Grindlays Bank, ANZ is well placed to participate in this overall improvement.

Any moderation in the level of nominal interest rates will put further pressure on interest margins. In Australia, keener price competition in lending and foreign exchange may be expected as foreign banks and other new entrants seek to establish an operating base. There may be other areas of rapid and perhaps unpredictable change

following the deregulation of financial services markets, for example in the payments system. At the same time, the rapid pace of introduction of electronic equipment and delivery systems involves a heavy capital investment programme, gives near term cost pressures, and brings new commercial and prudential issues to the fore.

The directors and senior management throughout the Group are very conscious of the problems to be overcome and several initiatives have been launched to ensure that the Group is prepared to meet these challenges.

Consolidation of the Group's business following the recent acquisition of the DFC Group of Companies and Grindlays Bank plc is also being actively pursued. Integration of management philosophies and steps to effectively market the expanded service range to a wider customer base are already receiving attention, while rationalisation benefits will be realised over time.

The foundation for longer term prosperity has been securely laid, and we are confident of our ability to meet and overcome any exceptional short term pressures.



*Top Left:* Five Star Account — a new personal money management system was introduced by ANZ Bank in September 1984.

*Bottom Left:* ANZ Visa card was launched in February 1984 and already has 120,000 cardholder accounts and 38,000 merchant outlets.

*Below:* ANZTELL, ANZ Bank's new videotex service, was introduced in August 1984.





# Principal Establishments

## ANZ Bank

### Victoria

287 Collins St., Melbourne  
Assistant General Manager and State  
Manager: R. W. J. Horne  
\*Principal Share Register  
55 Collins St., Melbourne

### New South Wales

\*20 Martin Place, Sydney  
General Manager: B. B. Dickinson  
Assistant General Manager and State  
Manager Domestic Banking:  
R. C. Tuxford  
Assistant General Manager and State  
Manager Corporate Banking:  
R. N. Fenton

### Queensland

\*324 Queen St., Brisbane  
State Manager: B. J. Dawson

### South Australia

\*75 King William St., Adelaide  
State Manager: C. R. Pleydell

### Western Australia

\*84 St. George's Terrace, Perth  
State Manager: A. K. R. Watson

### Tasmania

86 Collins St., Hobart  
State Manager: J. D. Tyquin  
Share Register: \*40 Elizabeth St.,  
Hobart

### Australian Capital Territory

ACT/South East NSW  
(Canberra City) Area Branch:  
\*City Walk and Ainslie Avenue,  
Canberra  
Area Manager: W. J. Denton

### Northern Territory

43 Smith St., Darwin  
Manager: J. C. Hammer

### New Zealand

ANZ Banking Group (New Zealand)  
Limited  
\*215-229 Lambton Quay, Wellington  
General Manager: P. G. Gilbert

### United Kingdom & Europe

**London Branch**  
55 Gracechurch St., London EC3V  
OBN England  
International Telex: 8812741  
General Manager Europe: R. Isherwood

### Channel Islands

Australia and New Zealand Banking  
Group (Channel Islands) Limited  
St. Julian's Court, St. Julian's Avenue,  
St. Peter Port, Guernsey  
International Telex: 4191663  
Manager: P. R. Marshall

### Representative Office for Federal Republic of Germany

Frankfurter Büro Center, 6th Floor  
Mainzer Landstrasse 46  
6000 Frankfurt/Main 1  
International Telex: 4185126  
Senior Representative: G. F. Amos

### Representative Office for Switzerland

Glarnischstrasse 30  
CH-8002 Zurich  
International Telex: 816004  
Senior Representative: C. R. Maltby

### Papua New Guinea

Australia & New Zealand Banking  
Group (PNG) Limited  
Invesmen Haus  
Douglas Street, Port Moresby  
International Telex: 23216  
Chief Manager: M. J. French

### Hong Kong

ANZ Finance (Far East) Limited  
9th Floor, Alexandra House  
16-20 Chater Road, Central Hong Kong  
International Telex: 86019  
General Manager: P. J. Burchette

### North America

Executive Vice-President North  
America: R. C. Thomas

### New York Branch

120 Wall Street, New York,  
NY 10005 USA  
International Telex: 667559  
Senior Vice-President: M. A. Cancilla

### Los Angeles Branch

Suite 4350, 707 Wilshire Boulevard,  
Los Angeles, California 90017 USA  
International Telex: 4720773  
Senior Vice-President: K. D. Swan

### Chicago Branch

39th Floor, 30 North La Salle St  
Suite 3910, Chicago, Illinois 60602 USA  
International Telex: 4330119  
Senior Vice-President: J. D. Clarkin

### Representative Office for Houston

Suite 3850 First City Tower  
1001 Fannin, Houston, Texas 77002  
USA  
International Telex: 166229  
Vice-President & Regional  
Representative: R. J. Dark

### Representative Office for Canada

Suite 2308, Richmond-Adelaide Centre  
120 Adelaide Street West,  
Toronto M5H 1T1 Ontario  
International Telex: 6218361  
Senior Representative: R. J. Cox

### Representative Office for Japan

Room 1109, New Yurakucho Building  
12-1 Yurakucho 1-Chome Chiyoda-ku  
Tokyo 100  
International Telex: 26268  
Chief Representative: N. A. Cleland

### Singapore Branch

10 Collyer Quay No. 08-01  
Ocean Building Singapore 0104  
International Telex: 23336  
Chief Manager: A. E. Archer

## Grindlays Bank

### United Kingdom

Grindlays Bank plc  
36 Fenchurch Street, London  
EC3P 3AS

Grindlays Bank plc  
Minerva House, Montague Close,  
London SE1 9DH

Grindlays Bank plc  
13 St. James's Square, London  
SW1Y 4LF

### Australia

Grindlays Bank plc  
Grindlays Australia Limited  
Grindlays Securities Australia Limited  
22nd Floor, 360 Collins Street,  
Melbourne, Victoria 3000

### Austria

Grindlay Brandts GmbH,  
Seilerstaette 13, Vienna 1010

### Bahamas

Grindlays Bank plc,  
P.O. Box N7788, Nassau

### Bahrain

Grindlays Bank plc,  
Grindlays International Limited,  
Offshore Banking Units,  
P.O. Box 5793/20324 Bahrain  
Grindlays Bahrain Bank BSC,  
P.O. Box 793, Manama Centre,  
Government Road, Bahrain

### Bangladesh

Grindlays Bank plc,  
P.O. Box 502,  
No. 2 Dilkusha Commercial Area,  
Dhaka 2

### Brazil

Grindlays Bank plc,  
Av. Nilo Peçanha, 50 grupo 418,  
20.044 Rio de Janeiro - RJ.

### Canada

Grindlays Bank of Canada,  
P.O. Box 145, 18th Floor, North Tower,  
Royal Bank Plaza,  
Toronto, Ontario M5J 2J3.

### Colombia

The Representative of Grindlay Brandts  
Limited,  
Jaime Lizarralde,  
Consultores Asociados, Ltda,  
Carrera 7 No. 26-20, Piso 27, Bogota

\* Offices at which share registers maintained.



**France**

Grindlays Bank S.A.,  
96 av. Raymond Poincare, 75116 Paris

**Germany**

Grindlays Bank plc,  
Königsallee 28, 4000 Düsseldorf 1

**Ghana**

Merchant Bank (Ghana) Limited,  
P.O. Box 401, Swanmill,  
Kwame Nkrumah Avenue, Accra

**Greece**

Grindlays Bank plc,  
P.O. Box 1703, 7 Merlin Street,  
GR-106 71 Athens

**Hong Kong**

Grindlays Bank plc,  
Grindlays Asia Limited,  
P.O. Box 9707, 14th Floor,  
China Building,  
Queen's Road Central

**India**

Grindlays Bank plc,  
P.O. Box 725,  
90 Mahatma Gandhi Road,  
Bombay 400 023

Western India,  
P.O. Box 1175,  
90 Mahatma Gandhi Road,  
Bombay 400 023

Eastern India,  
P.O. Box 2781, 19 Netaji Subhas Road,  
Calcutta 700 001

Northern India,  
P.O. Box 624,  
'H' Block, Connaught Circus  
New Delhi 110 001

Southern India,  
P.O. Box 297, 19, Rajaji Salai,  
Madras 600 001.

**Indonesia**

Grindlays Bank plc,  
Wisma Kosgoro, POB95/JKWK,  
Jalan M. H. Thamrin 53, Jakarta 10350

**Iran**

Grindlays Bank plc,  
9th Floor, Shahdad Building  
6 Shahid Mousa Kalantari Street,  
Sepahbod Gharani Avenue, Tehran

**Japan**

Grindlays Bank plc,  
8th Floor, Yanmar Tokyo Building,  
1-1, Yaesu 2-Chome,  
Chou-Ku, Tokyo 104

**Jersey, Channel Islands**

Grindlays Bank (Jersey) Limited,  
P.O. Box 80,  
West House, West's Centre,  
Peter Street, St. Helier

**Jordan**

Grindlays Bank plc,  
General Manager's Office,  
P.O. Box 9997,  
Shmeissani Amman

**Kenya**

Grindlays Bank International (Kenya)  
Limited,  
P.O. Box 30113, Kenyatta Avenue,  
Nairobi

**Korea**

Grindlays Bank plc,  
C.P.O. Box 9051, Suite 936/7,  
Daewoo Center,  
541, 5-ka, Namdaemun-Ro,  
Chung-ku, Seoul

**Malaysia**

Grindlays Bank plc,  
P.O. Box 5,  
8th Floor, Bangunan Hongkong Bank,  
2, Leboh Ampang, Kuala Lumpur 01-19  
Asian International Merchant Bankers  
Berhad,  
P.O. Box 10988, 5th Floor, Bangunan  
UMBC,  
Jalan Sultan Sulaiman,  
Kuala Lumpur 01-33.

**Mexico**

The Representative of Grindlays  
Brandts Limited,  
Lefo y Mayer S.A.,  
Leibnitz 270, Col. Nueva Anzures,  
Del. Miguel Hidalgo,  
11590 Mexico D.F.

**Monaco**

Grindlays Bank S.A.,  
24, Avenue de Fontvieille Monaco

**Nigeria**

Grindlays Merchant Bank of Nigeria  
Limited,  
P.O. Box 54746,  
Falomo Ikoyi, 25 Boyle Street, Lagos

**Oman**

Grindlays Bank plc,  
P.O. Box 3550, Ruwi

**Pakistan**

Grindlays Bank plc,  
I.I. Chundrigar Road, Karachi 2.

**Qatar**

Grindlays Bank plc,  
P.O. Box 2001, Rayyan Road, Doha.

**Singapore**

Grindlays Bank plc,  
6 Shenton Way #23-01, DBS Building,  
Singapore 0106

**Spain**

Grindlays Bank plc,  
Alcala 32-4a Planta, 28014 Madrid

**Sri Lanka**

Grindlays Bank plc,  
P.O. Box 112, 37 York Street, Colombo 1

**Switzerland**

Grindlays Bank plc,  
Case Postale 875, Quai du Mont Blanc,  
CH-1211 Genève 1.

Grindlays Bank plc,  
Giesshübelstrasse 45,  
Postfach CH-8045  
Zurich

**Taiwan**

Grindlays Bank plc,  
2nd Floor, Shin Kong Building,  
123 Nanking East Road, Section 2,  
Taipei

**Uganda**

Grindlays Bank (Uganda) Limited  
P.O. Box 7131, 45, Kampala Road,  
Kampala  
Grindlays Bank International (Uganda)  
Limited,  
P.O. Box 485, 15, Jinja Road, Kampala

**United Arab Emirates**

Grindlays Bank plc,  
P.O. Box 241, Abu Dhabi

**United States of America**

Grindlays Bank plc,  
535 Madison Avenue, New York,  
N.Y. 10022

**Zaire**

Banque Grindlay International au Zaire  
S.Z.A.R.L.,  
Galeries Presidentielles,  
Place du 27 Octobre,  
B.P. 16.297, Kinshasa 1.

**Zambia**

Grindlays Bank International (Zambia)  
Limited,  
P.O. Box 31955, Woodgate House,  
Cairo Road, Lusaka

**Zimbabwe**

Grindlays Bank plc,  
P.O. Box 300, First Floor,  
Ottoman House,  
59, Samora Machel Avenue, Harare

**ANZ Group World Wide Distribution**

	Assets %	Points of Representation	Staff Numbers
Australia	55.5	1,217	22,619
New Zealand	5.8	216	3,563
North America	4.4	8	231
Central and South America	—	3	4
South Asia	3.5	84	5,498
Pacific Islands	0.4	19	533
South East Asia	6.0	12	316
United Kingdom	18.6	14	1,569
Europe	2.0	13	670
Middle East	2.6	39	692
Africa	1.2	24	1,094
<b>Totals</b>	<b>100.0</b>	<b>6,449</b>	<b>36,789</b>



# Five year statistical summary

For the year to 30 September	Amounts in \$ millions				
	1980	1981	1982	1983	1984
Group gross income	1,652.2	2,027.0	2,749.1	2,979.6	3,275.9
Group operating profit	136.0	175.4	180.5	197.9	269.0
Including					
— Australian Trading Bank	57.0	78.3	71.5	83.3	129.4
— Australian Savings Bank	24.9	27.8	28.5	29.1	38.3
— New Zealand Group (excluding minority interests)	10.8	16.1	20.6	25.2	26.0
— Esanda FCA Group†	38.3	46.7	51.4	52.7	52.3
— Development Finance Corporation	—	—	—	—	16.0*
Group operating profit and extraordinary items	149.1	204.6	187.8	197.8	122.2
Dividends	37.4	53.5	58.5	63.1	86.2
Number of times dividend covered by profits	3.6	3.3	3.1	3.1	3.1
Return on average shareholders' funds	19.2%	20.5%	18.1%	17.5%	21.9%§

## Per fully-paid share

Dividends — declared rate	24.0¢	28.0¢	28.0¢	28.0¢	30.0¢
Earnings (on average paid up capital, adjusted for bonus issues)	59.8¢	76.6¢	78.6¢	86.0¢	\$1.05
Net assets	\$5.67	\$5.34	\$5.08	\$5.70	\$5.89
Net assets (adjusted for bonus issues)	\$3.43	\$4.05	\$4.62	\$5.18	\$5.89
Share issues to shareholders	—	1 for 4 bonus	1 for 5 bonus	—	1 for 10 bonus 1 for 4 at \$3.70

## Year end

Paid-up capital	138.5	173.7	209.1	209.7	302.9
Shareholders' funds	785.0	928.2	1,062.8	1,194.9	1,780.9
Total assets	14,460.7	16,763.4	20,729.0	22,726.4	35,854.7
Ratio of shareholders' funds to total assets	5.4%	5.5%	5.1%	5.3%	5.0%
Total deposits	8,794.5	9,822.0	11,514.7	12,418.9	19,632.4
Trading Bank deposits	4,944.2	6,190.8	7,323.1	7,498.2	8,759.5
Trading Bank advances, loans etc.	4,194.3	5,283.1	7,019.5	7,282.7	8,485.0
Australian Savings Bank deposits	2,059.8	2,334.6	2,474.7	3,305.1	3,715.8
Esanda FCA Group total assets†	2,052.9	2,423.0	2,689.4	2,558.5	2,941.0
Number of shareholders	36,052	37,462	40,452	41,551	48,779
Number of employees	22,869	23,778	24,393	25,991	36,789
Points of representation	1,402	1,392	1,414	1,439	1,649

† As Finance Corporation of Australia became a subsidiary of Esanda during 1984 the figures of these two companies have been aggregated for comparative purposes.

\* 15 months profit.

§ Adjusted to exclude effects of year end rights issue and property revaluation.



# *Financial Statements*

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Australia and New Zealand Banking Group Limited

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## Directors' Report

The following information is provided in conformity with Section 270 of the Companies (Victoria) Code and with the Listing Requirements of the Australian Associated Stock Exchanges.

### Directors

The directors of Australia and New Zealand Banking Group Limited at the date of this report are listed on the inside front cover.

Retiring directors and those eligible and offering themselves for re-election are set out in the enclosed Notice of Meeting.

### Activities

The principal activities of the companies in the Group during the year were trading and savings banking, hire purchase and general finance, property development, mortgage and instalment lending, leasing, international and investment banking, investment and portfolio management and advisory services, nominee and custodian services, travel services, and executor and trustee services.

At 30 September 1984 the Company and its subsidiaries had 1,649 branches, sub-branches, agencies, service centres and representative offices, as set out on page 23.

### Subsidiaries

The following subsidiaries were acquired or disposed of during the financial year:

	Consideration \$'000	Net tangible assets acquired/ disposed \$'000
<b>Acquired:</b>		
ANZ (Delaware) Inc.	—*	—*
Esanda (Finance) Limited	—*	—*
McCaughan Dyson Futures Limited	—*	—*
Delana Pty Limited	—*	—*
Endeavour Hills Pty Limited <sup>o</sup>	—*	—*
Lefca Investments Pty Limited	—*	—*
Development Finance Corporation Limited	92,381	64,120
Development Capital of Australia Pty Ltd	—*	—*
Delfin Retirement Properties Pty Limited	—*	—*
Grindlays Holdings plc	284,927	169,653
<b>Disposed of:</b>		
Delfin Discount Company Limited	4,443	3,936

**The following subsidiaries were liquidated:**  
 South Australian Shopping Centres Pty Limited  
 W.L. Northern Properties Pty Limited  
 W.L. Southern Properties Pty Limited  
 Overland Limited  
 D.P.F. (S.A.) Pty Limited  
 Tudor Development Pty Limited  
 Coorilla Developments Pty Limited  
 Blackwattle Investments Pty Limited  
 Financial and Security Analysis Pty Limited  
 Delfin Limited  
 Delfin (Canberra) Pty Limited  
 Delfin House Pty Limited

\* Less than \$500

<sup>o</sup> The group's interest in this subsidiary is 67 per cent

### Reserves and Provisions

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

	\$'000
Australia and New Zealand Banking Group Limited:	
Transfer to general reserve	97,391
Transfer from general reserve	15,059
Transfer to specific provision for doubtful debts	12,883
Transfer to general provision for doubtful debts	28,484
Transfer to provision for depreciation and amortisation	21,520
Transfer to provision for long service leave	12,157
Transfer to share premium reserve	208,901
Transfer from contingencies reserve	97,391
Transfer to asset revaluation reserve	18,452
Transfer from asset revaluation reserve	22,078
Australia and New Zealand Savings Bank Limited:	
Transfer to general reserve	32,789
Transfer from contingencies reserve	32,789
ANZ Banking Group (New Zealand) Limited:	
Transfer to general reserve	23,632
Transfer from asset revaluation reserve	7,897
ANZ Properties (New Zealand) Limited:	
Transfer to asset revaluation reserve	6,286
ANZ Properties (Australia) Limited:	
Transfer from provision for depreciation	5,173
Transfer to asset revaluation reserve	91,125
Esanda Limited:	
Transfer to asset revaluation reserve	40,514
ES&A Holdings Limited:	
Transfer to asset revaluation reserve	52,760
ANZ Adelaide Group Limited:	
Transfer to asset revaluation reserve	6,822
Transfer from capital reserve	5,642
ANZ Holdings Limited:	
Transfer to asset revaluation reserve	69,211
Transfer to capital reserve	5,297
Transfer from provision for depreciation and amortisation	6,207

### Share and Debenture Issues

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

- Australia and New Zealand Banking Group Limited
  - 9,499,594 ordinary shares of \$1 each fully paid at a premium of \$4.50 as part consideration for the issued capital of Development Finance Corporation Limited.
  - 22,077,962 ordinary shares of \$1 each fully paid under a one-for-ten bonus issue made by capitalising part of the asset revaluation reserve.
  - 60,905,301 ordinary shares of \$1 each fully paid at a premium of \$2.70 under a one-for-four non-renounceable rights issue to provide funds for the continued development of the operations of group companies.
  - 811,000 ordinary shares of \$1 each paid to 10 cents per share to staff under the senior officer share purchase scheme.
  - 408,792 ordinary shares of \$1 each fully paid under the employee share purchase scheme.



**ANZ Banking Group (New Zealand) Limited**

- 26,733,030 ordinary shares of NZ50¢ each fully paid under a one-for-four bonus issue made by capitalising part of the asset revaluation reserve.
- 339,000 ordinary shares of NZ50¢ each paid to 5 cents to staff under senior officer share purchase scheme.
- 93,370 ordinary shares of NZ50¢ each unpaid to a trustee for purchase by staff of the company in terms of the employee share purchase scheme.

**ANZ (Delaware) Inc.**

- 10,000 ordinary shares of US\$1 each fully paid to provide funds for the development of the company's operations.

**ANZ Executors & Trustee Company Limited**

- 3,000,000 ordinary shares of \$1 each fully paid to provide working capital.

**Delfin Corporate Services Limited**

- 250,000 ordinary shares of \$1 each fully paid to provide working capital.

**Delfin Retirement Properties Pty Limited**

- 9,998 ordinary shares of \$1 each fully paid to provide funds for the development of the company's operations.

**Development Capital of Australia Pty Limited**

- 9,998 ordinary shares of \$1 each fully paid to provide funds for the development of the company's operations.

**Esanda Limited**

- 50,000,000 ordinary shares of \$1 each fully paid to provide funds for the general needs of the company.

**Finance Corporation of Australia Limited**

- 300,000 non-cumulative non-participating redeemable preference shares of \$1 each fully paid issued at a premium of \$99 to fund redemption of outstanding preference shares.

**Grindlays Bank plc**

- 200,000 ordinary shares of £1 each fully paid issued at a premium of £374 to provide funds for the development of the company's operations.

**McCaughan Dyson Futures Limited**

- 634,995 ordinary shares of \$1 each fully paid to provide funds for the development of the company's operations.

Particulars of the debenture stock and unsecured notes movements of Group companies during the year are:

	Esanda Limited \$'000	Finance Corporation of Australia Limited \$'000	UDC Group Holdings Limited \$'000
Debenture stock and unsecured notes at beginning of financial year	1,734,766	328,633	158,243
Issued during year	643,214	138,633	210,426
	<u>2,377,980</u>	<u>467,266</u>	<u>368,669</u>
Redeemed during year	446,343	95,136	189,524
Debenture stock and unsecured notes at end of financial year	1,931,637	372,130	179,145
Loans and deposits held at end of financial year	43,470	3,841	94,245
Total borrowed funds at end of financial year	<u>1,975,107</u>	<u>375,971</u>	<u>273,390</u>

The net funds raised were for the general operations of the companies.

By order of the Victorian Commissioner for Corporate Affairs, exemptions have been obtained from compliance with the requirements of sub-section 2(e) of Section 270 of the Companies (Victoria) Code by Esanda Limited and Australia and New Zealand Banking Group Limited.

By order of the South Australian Commissioner for Corporate Affairs, exemption has also been obtained by Finance Corporation of Australia Limited from compliance with the requirements of sub-section 2(e) of Section 270 of the Companies (South Australia) Code.

### Dividends

The directors propose payment of a final dividend of 15 cents per share, amounting to \$49.968 million, to be paid on 25 February 1985 and this will be recommended at the annual general meeting. The shares arising from the proposed bonus issue will participate in this final dividend.

Since the end of the previous year a final dividend of 14 cents per share, amounting to \$33.763 million was paid on 20 February 1984 and an interim dividend of 15 cents per share, amounting to \$36.212 million was paid on 2 July 1984. The final dividend paid on 20 February 1984 was detailed in the directors' report dated 5 December 1983.

Neither the interim dividend paid on 2 July 1984 nor the current dividend recommendation have been mentioned in previous directors' reports.



## 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 provision 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.

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 provisions for doubtful debts of 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 any corporation in the Group has arisen since the end of the financial year which secures the liabilities of any other person.

(iv) contingent liabilities have arisen in the ordinary course of business since the end of the financial year. These include contingent liabilities in respect of commercial bill endorsements, letters of credit and guarantees. It is impractical to state the maximum amount or to estimate the maximum amount of these liabilities, but having regard to their nature the effect on the accounts would not be material.

(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 or other liability of any corporation in the Group has become enforceable, or is likely to become enforceable, within the period of twelve months after 30 September 1984 being a liability that in the opinion of the directors will or may substantially affect the ability of the corporation to meet its obligations as and when they fall due.

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 corporation in the Group for the current financial year.

The results of the operations of the Company and its subsidiaries for the year ended 30 September 1984 were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature, except as may be referred to herein or in the Chairman's Report, the Review of Operations and the accounts.

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 Group 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 corporation, 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 (i) benefits that may be deemed to have arisen because of legal fees paid to Blake and Riggall, in which Mr G M Niall was a partner until 30 June 1984 and is now a consultant, and to Bell Gully Buddle Weir, in which Mr L M Papps is a partner, and insurance business placed through Baillieu Bowring Marsh & McLennan Pty Ltd., of which Mr D C L Gibbs is a director and (ii) benefits that may have arisen as a consequence of the subscription by executive directors for scheme shares under the ANZ Bank Senior Officers' Share Purchase Scheme and (iii) benefits that may arise pursuant to agreements relating to the preservation of retirement benefits which have been entered into since the end of the previous financial year between each of the executive directors and the Company.

### Accounts

In accordance with section 271 of the Companies (Victoria) Code and regulation 58 of the Companies Regulations, all amounts shown in this report and the accompanying accounts have been rounded off to the nearest 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 thereof.

The directors' shareholding interests, beneficial and non-beneficial, in the share capital of the Company and related corporations are detailed on page 56.

The directors are not aware of any single beneficial interest of ten 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 3rd day of December 1984.

Chairman

Managing Director



**Profit and loss statement** for the year ended 30 September 1984

Holding Company		Note	Consolidated	
1983 \$'000	1984 \$'000		1984 \$'000	1983 \$'000
1,889,548	2,144,719		3,275,936	2,979,610
1,694,832	1,807,775		2,765,729	2,618,280
194,716	336,944	3	510,207	361,330
54,461	109,037		230,193	154,906
140,255	227,907		280,014	206,424
—	—		10,977	8,524
140,255	227,907		269,037	197,900
(3,982)	(149,898)	2	(146,834)	(73)
—	—		(53)	(77)
136,273	78,009		122,150	197,750
66,537	73,720		236,740	193,559
202,810	151,729		358,890	391,309
70,000	—	5	18,082	92,052
(3,982)	—		—	(3,982)
—	—		2,562	1,244
29,309	36,209		36,209	29,309
33,763	49,968		49,968	33,763
73,720	65,552		252,069	238,923

The notes appearing on pages 32-49 are an integral part of these accounts



**Balance Sheet** as at 30 September 1984

Holding Company		Note	Consolidated	
1983 \$'000	1984 \$'000		1984 \$'000	1983 \$'000
<b>Authorised capital:</b>				
350,000	350,000	350,000,000 ordinary shares of \$1 each	350,000	350,000
<b>Shareholders' funds</b>				
209,746	302,858	Issued and paid up capital	4 302,858	209,746
451,863	642,079	Reserves	5 1,225,946	746,207
73,720	65,552	Retained profits	252,069	238,923
<b>Share capital and reserves applicable to shareholders of Australia and New Zealand Banking Group Limited</b>				
735,329	1,010,489		1,780,873	1,194,876
—	—	Minority shareholders' interest in subsidiary companies	37,619	29,002
<b>Customers' accounts, etc.</b>				
7,498,160	8,759,458	Deposits	19,632,374	12,418,869
—	—	Borrowings by borrowing corporation subsidiaries	2,678,021	2,464,694
2,569,719	3,066,966	Bank and other acceptances of customers (see contra)	3,764,812	2,227,909
3,328,728	3,328,757	Due to other banks	6,162,318	3,428,849
388,958	520,959	Bills payable and other liabilities	1,308,444	643,462
79,023	632,559	Amounts due to subsidiary companies	—	—
<b>Provisions</b>				
33,763	49,968	Proposed dividend	49,968	33,763
25,833	70,967	Provision for income tax	125,561	58,202
150,002	169,818	Other provisions	8 314,691	226,727
14,809,515	17,609,941		35,854,681	22,726,353

The notes appearing on pages 32-49 are an integral part of these accounts  
Contingent liabilities are detailed at Note 21.







## Notes to the Accounts

### 1 Bases of Accounting

These financial statements have been prepared in accordance with historical cost concepts except where otherwise indicated.

#### (a) Principles of consolidation

The Group consolidation includes all companies in which the Group holds more than half of the issued ordinary share capital. A listing of these subsidiaries is contained in note 19. All inter-company balances and transactions have been eliminated.

Goodwill on consolidation, being the difference between the cost of shares in subsidiary companies and the Group's share in the fair value of the net assets of the subsidiary companies at the date of acquisition, is written off through the profit and loss statement as an extraordinary item in the year of acquisition.

The consolidated balance sheet includes the group assets and liabilities of Grindlays Holdings plc and its subsidiary companies as at 30 September 1984. As the Scheme of Arrangement enabling acquisition of the Grindlays group was given Court approval in September 1984, Grindlays profit and loss result to 30 September 1984 has been treated as pre-acquisition and is not included in the consolidated profit and loss statement of the Group.

Development Finance Corporation Limited (DFC) was acquired pursuant to an offer announced in August 1983 based on financial information at 30 June 1983. Accordingly the consolidated result includes DFC's profit for the 15 month period ended 30 September 1984.

#### (b) Translation of overseas currency

Profits of overseas branches and subsidiaries have been translated into Australian dollars at the rates ruling at balance date. Assets and liabilities which are expressed in currencies other than Australian dollars have been translated at the rates ruling at balance date and the net surplus or deficiency arising from such translation, after allowing for those positions covered by foreign exchange hedge contracts and related currency borrowings, has been dealt with by transfer direct to reserves.

#### (c) Leveraged lease transactions

Certain companies in the Group have entered into leveraged lease transactions as equity participants. The investment is recorded net of the non-recourse long term debt and is included in 'Investments' in the balance sheet. Income is taken to account over the period of the lease based on the outstanding investment balance.

#### (d) Amortisation and profits and losses on dated 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 sale of investments since 1 October 1983 have been taken wholly to profit and loss account. Previously these profits and losses were amortised over a 5 year period, commencing in the year of sale. Unamortised balances at 30 September 1983 will continue to be amortised on this five year basis. The effect of this change in accounting policy is not material.

As the majority of redeemable quoted investments are normally held to or near to 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.

#### (e) 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. Specific provisions are maintained to cover identified doubtful accounts and

general provisions are maintained to provide cover for possible future losses which are inherent in any portfolio of bank and finance company lending. Provisions for doubtful debts are deducted from loans and advances in the balance sheet. Operating subsidiaries within the Group maintain appropriate provisions for doubtful debts. Details of provisions are set out in note 6.

#### (f) Depreciation and amortisation

Expenditure on buildings is generally depreciated on a straight line basis. Expenditure on plant, fixtures and fittings is generally depreciated over estimated life on a straight line basis.

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

#### (g) Taxation

Tax effect accounting procedures are applied under the liability method throughout the Group. Withholding tax has been provided on overseas income which is expected to be remitted in the future. No provision has been made for withholding tax on earnings that are expected to be retained by overseas subsidiaries to finance their ongoing business.

#### (h) Pension funds

The Group has a number of pension funds established which provide defined benefits for employees and their dependants on retirement or death. These funds cover the majority of Group employees throughout the world.

The benefits under the funds are provided from contributions by employee members and the Group and income from fund assets invested.

The members' contributions are at fixed rates while Group contributions are made at levels necessary to ensure that the funds are maintained with sufficient assets to meet their liabilities. The rate of Group contributions is determined by actuarial valuations which are carried out at regular intervals not exceeding three years. The assets of the funds are not included in these accounts.

#### (i) General finance subsidiaries

The gross income arising from the various forms of instalment credit transactions and other credit facilities entered into by subsidiaries is apportioned over the term of the contracts in direct relationship to the amount of the funds invested therein during the relevant accounting periods using the rule of '78' or the actuarial method. 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.

#### (j) Associated companies

The Group's share of results of associated companies has not been included in the profit and loss account except insofar as dividends have been received.

Supplementary financial statements adopting the equity method to account for the Group's interest in associated companies have not been provided as such supplementary statements are not materially different from the Group's consolidated accounts.

#### (k) Definitions

'Holding company' is Australia and New Zealand Banking Group Limited, and 'borrowing corporations' are Esanda Limited, Finance Corporation of Australia Limited, UDC Group Holdings Limited and ANZ Properties (Australia) Limited.

Australia and New Zealand Banking Group Limited and Australia and New Zealand Savings Bank Limited are banking companies as defined by the Companies (Victoria) Code. For the Group accounts the banking operations of ANZ Banking Group (New Zealand) Limited, Australia and New Zealand Banking Group (PNG) Limited, Australia and New Zealand Banking Group (Channel Islands) Limited and Grindlays Bank plc have been included as banking companies.

	Consolidated		Holding Company	
	1984 \$'000	1983 \$'000	1984 \$'000	1983 \$'000
Write-off of goodwill on consolidation arising on company acquisitions	(143,535)	—	—	—
Write down of investment in companies acquired to underlying fair value at acquisition date	—	—	(143,535)	—
Surplus on sale of properties	2,094	3,444	151	18
Other (net of \$291 income tax; 1983 nil)	(5,393)	(3,517)	(6,514)	(4,000)
	(146,834)	(73)	(149,898)	(3,982)

### 2 Extraordinary Items

(No income tax applicable except where shown)

Write-off of goodwill on consolidation

arising on company acquisitions

(143,535)

Write down of investment in companies

acquired to underlying

fair value at acquisition date

(143,535)

Surplus on sale of properties

2,094

3,444

151

18

Other (net of \$291 income tax; 1983 nil)

(5,393)

(3,517)

(6,514)

(4,000)

(146,834)

(73)

(149,898)

(3,982)



### 3 Operating Profit

Operating profit before income tax was determined after inclusion of:

#### Income

	Consolidated		Holding Company	
	1984 \$'000	1983 \$'000	1984 \$'000	1983 \$'000
(a) Interest received or receivable from:				
(i) Subsidiaries	—	—	16,371	8,071
(ii) Other persons	2,713,452	2,562,480	1,477,007	1,358,444
(b) Dividends received or receivable from:				
(i) Subsidiary companies				
— Australia and New Zealand Savings Bank Limited	—	—	13,500	30,280
— ANZ Adelaide Group Limited	—	—	4,700	4,270
— ANZ Finance (Far East) Limited	—	—	1,502	1,784
— ANZ Banking Group (New Zealand) Limited	—	—	8,540	5,298
— Esanda Limited	—	—	63,100	13,500
— ANZ Investments Limited	—	—	600	600
— Australia and New Zealand Banking Group (PNG) Limited	—	—	323	450
— ANZ Overseas Finance Limited	—	—	—	609
— ES&A Holdings Limited	—	—	98	116
— ANZ Holdings Limited	—	—	135	—
— Development Finance Corporation Limited	—	—	6,000	—
(ii) Other companies	7,144	5,059	2,680	3,261

#### Expenses

(a) Depreciation and amortisation of fixed assets	42,900	29,881	34,332	22,277
(b) Auditors' remuneration in respect of auditing of the accounts or Group accounts				
— auditors of holding company	772	651	293	247
— other auditors	459	102	—	—
other services				
— auditors of holding company	169	190	137	182
— other auditors	3,941	3,888	3,587	3,535
The auditors did not receive any other benefits				
(c) Directors' emoluments (excluding fixed salaries) received or due and receivable by —				
directors engaged in full time employment of the holding company and related corporations				
— fees	—	—	—	—
— other emoluments	1,036	1,377	815	688
other directors				
— fees	251	239	200	171
— other emoluments	41	36	39	36
(d) Provision for long service leave	12,922	8,537	12,157	7,141
Provisions for doubtful debts (see note 6)	59,646	75,138	41,367	47,631
Provision for non-lending losses	3,020	5,429	2,693	5,387
Provisions — other	2,495	85	2,396	(58)
(e) Interest paid or payable to:				
(i) Subsidiaries	—	—	10,018	3,258
(ii) Other persons	1,763,038	1,747,805	971,606	958,890

### 4 Share Capital

Issued Capital:

302,611,695 (1983 209,565,046) ordinary shares of \$1 each fully paid	302,612	209,565
2,461,000 (1983 1,805,000) ordinary shares of \$1 each paid to 10 cents per share	246	181
	<b>302,858</b>	<b>209,746</b>



**5 Reserve Funds****Consolidated**  
\$'000

	Share Premium Reserve	Asset Revaluation Reserve	Contingencies Reserve	General Reserve	Capital Reserves	Total Reserves
<b>Balance at 30 September 1982</b>	15,485	34,913	137,184	449,285	22,613	659,480
Adjustment for exchange rate fluctuations	—	117	—	(742)	13	(612)
Transfers (to) from profit and loss account	—	—	(3,982)	92,052	1,244	89,314
Premium on issue of shares	976	—	—	—	26	1,002
Revaluation of properties by subsidiary company	—	1,277	—	—	—	1,277
Currency translation adjustments	—	—	(3,022)	(29)	(1,306)	(4,357)
Other	—	—	—	—	103	103
<b>Balance at 30 September 1983</b>	16,461	36,307	130,180	540,566	22,693	746,207
Adjustment for exchange rate fluctuations	—	485	—	(8,939)	153	(8,301)
Transfers (to) from profit and loss account	—	—	—	18,082	2,562	20,644
Premium on issue of shares	208,901	—	—	—	136	209,037
Revaluation of properties	—	293,883	—	—	—	293,883
Capitalisation issue	—	(28,001)	—	—	5,907	(22,094)
Currency translation adjustments	—	—	—	(15,111)	2,908	(12,203)
Transfer between reserves	—	450	(130,180)	130,180	(450)	—
Other	—	—	—	—	(1,227)	(1,227)
<b>Balance at 30 September 1984</b>	225,362	303,124	—	664,778	32,682	1,225,946

**Holding Company**  
\$'000

	Share Premium Reserve	Asset Revaluation Reserve	Contingencies Reserve	General Reserve	Total Reserves
<b>Balance at 30 September 1982</b>	15,485	58,861	104,377	209,150	387,873
Transfer (to) from profit and loss account	—	—	(3,982)	70,000	66,018
Premium on issue of shares	976	—	—	—	976
Currency translation adjustments	—	—	(3,004)	—	(3,004)
<b>Balance at 30 September 1983</b>	16,461	58,861	97,391	279,150	451,863
Premium on issue of shares	208,901	—	—	—	208,901
Revaluation of properties	—	18,452	—	—	18,452
Capitalisation issue	—	(22,078)	—	—	(22,078)
Currency translation adjustments	—	—	—	(15,059)	(15,059)
Transfer between reserves	—	—	(97,391)	97,391	—
<b>Balance at 30 September 1984</b>	225,362	55,235	—	361,482	642,079

**6 Provisions for Doubtful Debts****Consolidated**  
\$'000**Holding Company**  
\$'000

	Specific Provision		General Provision		Specific Provision		General Provision	
	1984	1983	1984	1983	1984	1983	1984	1983
<b>Balance at 30 September 1983</b>	116,881	96,399	90,706	81,710	105,731	90,478	63,590	55,947
Adjustment for exchange rate fluctuations	(2,141)	(307)	(2,993)	(304)	(1,799)	(198)	56	203
Bad debts written off	(40,133)	(48,549)	—	—	(18,834)	(25,806)	—	—
Recoveries	8,829	3,500	—	—	3,535	1,066	—	—
Charge to profit and loss account	29,306	65,838	30,340	9,300	12,883	40,191	28,484	7,440
Provisions at acquisition date of companies acquired	309,716*	—	47,184	—	—	—	—	—
<b>Balance at 30 September 1984</b>	422,458	116,881	165,237	90,706	101,516	105,731	92,130	63,590

\* Includes \$125,150 in respect of sovereign risks in Grindlays Holdings plc.

**7 Non-Accrual Loans of Non-banking Companies**

Amounts of debts of non-banking companies on which interest or credit charges have not been brought to account in 1984 totalled \$15.746 million (1983 \$14.054 million).

Amount of interest due to non-banking companies from other persons, in respect of the above debts, that has not been brought to account in 1984 totalled \$3.612 million (1983 \$3.308 million).



	Consolidated		Holding Company	
	1984 \$'000	1983 \$'000	1984 \$'000	1983 \$'000
<b>8 Other Provisions</b>				
Provision for long service leave	99,213	85,037	88,626	76,469
Provision for deferred income tax	161,189	128,360	63,450	60,880
Provision for non-lending losses	17,332	11,453	13,619	10,927
Provisions — other	36,957	1,877	4,123	1,726
	<b>314,691</b>	<b>226,727</b>	<b>169,818</b>	<b>150,002</b>

### 9 Loans, Advances, Bills Discounted and Outstandings Under Hire Purchase and Other Agreements less Provisions for Doubtful Debts and Unearned Income, etc.

Gross loans, advances, bills discounted and outstandings under hire purchase and other agreements	22,518,962	14,855,656	8,954,081	7,738,027
Less: Provisions for doubtful debts	587,695	207,587	193,646	169,321
Provision for contingencies	10,301	5,180	—	—
Income yet to mature	1,142,019	1,096,438	275,463	285,958
Net loans, advances, bills discounted and outstandings under hire purchase and other agreements	<b>20,778,947</b>	<b>13,546,451</b>	<b>8,484,972</b>	<b>7,282,748</b>

### 10 Development Ventures (included in all other assets)

Development ventures comprise:

(i) Land held for development		
— acquisitions at cost	20,619	13,938
— acquisitions at independent valuation	235	—
— development expenses capitalised	5,069	2,791
— other amounts capitalised	1,409	3,780
	<b>27,332</b>	<b>20,509</b>
<i>less: liabilities</i>		
— secured by mortgages payable within 12 months	124	—
— unsecured (including provision for expenditure on sold land) payable within 12 months	1,948	1,524
	<b>25,260</b>	<b>18,985</b>
<i>add: debtors</i>	2,919	561
	<b>28,179</b>	<b>19,546</b>
<i>less:</i>		
— provision for diminution in value of ventures	10,826	14,058
— provision for future development costs	56	—
	<b>17,297</b>	<b>5,488</b>
(ii) Loans to real estate projects, secured on real estate		
— loans to associated development companies	3,758	4,875
— loans to others	4,493	230
	<b>8,251</b>	<b>5,105</b>
<i>less: provision for diminution in value</i>	—	1,061
	<b>8,251</b>	<b>4,044</b>
	<b>25,548</b>	<b>9,532</b>



Notes to the Accounts continued

	Consolidated		Holding Company	
	1984 \$'000	1983 \$'000	1984 \$'000	1983 \$'000
<b>11 Premises and Equipment</b>				
(a) Freehold and leasehold land and buildings				
— at directors' valuation 1974	—	4,290	—	—
— by independent valuation 1976	—	518	—	—
— at directors' valuation 1978	—	307	—	—
— at directors' valuation 1979	1,341	—	—	—
— at directors' valuation 1980	6,875	—	—	—
— at directors' valuation 1981	—	10,086	—	—
— at directors' valuation 1982	2,532	—	—	—
— at directors' valuation 1983	931	7,384	—	—
— at directors' valuation July 1984	280,153	—	22,177	—
— by independent valuation August 1984	300,611	—	17,709	—
— at cost	18,673	222,424	4,108	22,033
	611,116	245,009	43,994	22,033
Deduct: Provision for depreciation	1,357	19,737	38	364
	609,759	225,272	43,956	21,669
(b) Plant, fixtures and fittings, office machines and other equipment at cost	339,823	217,142	226,573	166,179
Deduct: Provision for depreciation	154,625	105,642	98,766	78,821
	185,198	111,500	127,807	87,358
(c) Leasehold improvements at cost	45,501	13,927	13,448	11,794
Deduct: Provision for amortisation	10,993	3,817	4,368	3,010
	34,508	10,110	9,080	8,784
Total premises and equipment	829,465	346,882	180,843	117,811

The independent valuation in 1984 was carried out by registered valuers of Baillieu Valuations Australia Pty Ltd and by Weatherall Green & Smith, chartered surveyors and is on the basis of existing use value. A number of properties owned by the Grindlays Holdings plc group were valued by independent valuers in 1984 prior to its acquisition by Australia and New Zealand Banking Group Limited.

**12 Capital Expenditure Commitments**

Contracts for outstanding capital expenditure not provided for in these accounts	38,220	14,829	6,750	4,883
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**13 Lease Rental Commitments**

Future lease rentals not provided for comprise:

Land and buildings				
due within one year	33,067	29,580	27,271	25,237
due after one year	559,170	571,587	503,355	512,134
	592,237	601,167	530,626	537,371
Furniture, office machines and other equipment				
due within one year	2,140	1,603	1,044	1,469
due after one year	3,152	1,485	642	1,433
	5,292	3,088	1,686	2,902
	597,529	604,255	532,312	540,273

**14 Liabilities Payable by Borrowing Corporation Subsidiaries**

Within one year	1,437,414	1,586,189
Between one and two years	699,368	557,032
Between two and five years	689,741	435,558
After five years	6,106	8,873
	2,832,629	2,587,652



	Consolidated		Holding Company	
	1984 \$'000	1983 \$'000	1984 \$'000	1983 \$'000
<b>15 Debts Receivable by Borrowing Corporation Subsidiaries Net of Income Yet to Mature</b>				
Within one year	1,255,758	1,202,827		
Between one and two years	688,060	677,923		
Between two and five years	975,747	802,646		
After five years	108,059	76,966		
	<u>3,027,624</u>	<u>2,760,362</u>		

## 16 Investments

Quoted investments 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.

### Book value

#### Quoted in Australia:

Australian Government securities	1,725,401	1,500,602	1,160,535	1,067,308
Australian Local and Semi Government authorities	82,785	78,687	—	—
Other securities	8,174	1,739	1,885	1,608

#### Quoted in other countries:

Government & Local Authority securities	857,912	303,633	2,267	—
Other securities	99,061	6,367	—	—

#### Total book value of quoted investments

	<u>2,773,333</u>	<u>1,891,028</u>	<u>1,164,687</u>	<u>1,068,916</u>
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#### Unquoted investments:

Australian Government and Local and Semi Government authorities	679,175	520,986	—	—
Australian Treasury notes	105,300	248,400	105,300	—
Treasury bills	7,050	101,150	2,421	13,059
Other securities including equity in leveraged leasing	520,417	335,715	312,316	208,743

#### Total book value

	<u>4,085,275</u>	<u>3,097,279</u>	<u>1,584,724</u>	<u>1,290,718</u>
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### Market value

#### Quoted in Australia:

Australian Government securities	1,739,389	1,484,022	1,169,714	1,056,279
Australian Local and Semi Government authorities	80,721	75,462	—	—
Other securities	11,008	1,717	1,885	1,608

#### Quoted in other countries:

Government & Local Authority securities	845,184	307,185	2,267	—
Other securities	99,345	6,731	—	—

#### Total market value of quoted investments

	<u>2,775,647</u>	<u>1,875,117</u>	<u>1,173,866</u>	<u>1,057,887</u>
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## 17 Shares in Subsidiary Companies

Quoted — at directors' valuation 1979 (Market value 1984 \$224,564 — 1983 \$178,954)			34,566	42,783
Unquoted — at cost			484,304	90,728
— at directors' valuation 1981			143,085	143,085
			<u>661,955</u>	<u>276,596</u>

## 18 Shares in Associated and Other Companies

Quoted — at cost (Market value 1984 \$261 — 1983 \$23)	237	22	—	—
Unquoted — at cost less amounts written off	43,386	12,918	13,709	11,069
	<u>43,623</u>	<u>12,940</u>	<u>13,709</u>	<u>11,069</u>



## 19 Subsidiary Companies and Group Interests

	Incorporated in	Principal areas of operations	Issued capital	Contribution to group result \$'000	
				1984	1983
Australia & New Zealand Banking Group Limited	Australia	International		129,409	83,348
<b>Subsidiaries</b>					
Adelaide Group Data Pty Limited	Australia	Australia	100,000 shares of \$1	—	10
§Adelaide Nominees Limited	England	England	100 shares of £1	—	—
Adelgroup Pty Limited	Australia		10 shares of \$1	—	—
ANZ Adelaide Group Limited	Australia	Australia	31,504,687 shares of \$1	90	10
ANZ Adelaide Property Limited	Australia	Australia	750,000 shares of \$2	10	8
§ANZ Banking Group (New Zealand) Limited	New Zealand	New Zealand	133,086,750 shares of NZ50¢ fully paid 797,000 shares of NZ50¢ paid to 5¢	21,011	19,063
ANZ Custodians Limited	Australia	Australia	7 shares of \$1	—	—
ANZ (Delaware) Inc	USA	USA	10,000 shares of US\$1	—	—
ANZ Discounts Limited	Australia	Australia	5 shares of \$2	—	—
ANZ Executors & Trustee Company Limited	Australia	Australia	3,000,002 shares of \$1 fully paid 2,499,998 shares of \$1 paid to 40¢	242	47
ANZ Executors Nominees Limited	Australia	Australia	5,000 shares of \$2	—	—
ANZ Executors & Trustee Company (Canberra) Limited	Australia	Australia	20,000 shares of \$2	(164)	(10)
ANZ Executors Nominees (NSW) Limited	Australia	Australia	5,000 shares of \$2	—	—
ANZ Finance (Far East) Limited	Australia	Hong Kong/Aust	17,000,000 shares of \$1 fully paid 3,000,000 shares of \$1 paid to 10¢	3,979	4,211
§ANZ Finance (Jersey) Limited	Jersey		10 shares of £1	—	—
ANZ Funds Pty Limited	Australia	Australia	100 shares of \$2	(102)	3
ANZ Holdings Limited	Australia	Australia/N.Z.	23,100,000 shares of \$1	158	17
ANZ Investments Limited	Australia	International	150 shares of \$1	615	602
ANZ Managed Investments Limited	Australia	Australia	209,010 shares of \$1	237	52
ANZ Managed Investments (NSW) Limited	Australia		10,000 shares of \$1	—	1
ANZ Managed Investments (Qld) Limited	Australia		16 shares of \$1	—	1
ANZ Managed Investments (SA) Limited	Australia		12 shares of \$1	—	1
ANZ Managed Investments (WA) Limited	Australia		12 shares of \$1	—	—
ANZ Managed Investments (Tas) Limited	Australia		16 shares of \$1	—	1
ANZ Managed Investments (ACT) Limited	Australia		16 shares of \$1	—	—
ANZ Managed Investments (NT) Limited	Australia		10 shares of \$1	—	—
§ANZ Nominees (Guernsey) Limited	Guernsey	Channel Islands	1,000 shares of £1	—	—
ANZ Nominees Limited	Australia	England/Aust/NZ	1,500 shares of \$1	—	—
§ANZ Overseas Finance Limited	England	England	100 shares of £1	12	605
ANZ Pensions (Adelaide) Limited	Australia	Australia	5,000 shares of \$2	—	—
§ANZ Pensions (U.K.) Limited	England	England	250,000 shares of £1	—	—
ANZ Pensions Pty Limited	Australia	Australia	5 shares of \$2	—	—
§ANZ Pensions (New Zealand) Limited	New Zealand	New Zealand	100 shares of NZ\$1	—	—
ANZ Properties (Australia) Limited	Australia	Australia	5,000,000 shares of \$1	540	565
§ANZ Properties (New Zealand) Limited	New Zealand	New Zealand	10,000 shares of NZ\$1	260	202
§ANZ Savings Bank (New Zealand) Limited	New Zealand	New Zealand	250,000 shares of NZ\$2	1,082	1,454
§ANZ Trust Company (Guernsey) Limited	Guernsey	Channel Islands	5,000 shares of £1	—	—
§Australia and New Zealand Banking Group (Channel Islands) Limited	Guernsey	Channel Islands	1,000,000 shares of £1	553	615
Australia and New Zealand Banking Group (PNG) Limited	Papua New Guinea	Papua New Guinea	2,000,000 shares of K1	241	753
Australia and New Zealand Savings Bank Limited	Australia	Australia	7,500,000 shares of \$1	38,259	29,145
Budena Pty Limited	Australia	Australia	8 shares of \$1	—	—
*Development Finance Corporation Limited	Australia	Australia	8,348,172 shares of \$1	263†	—
*AFT Delfin Management Limited	Australia	Australia	200,000 shares of \$1	90	—
*AFT Investors Services Limited	Australia	Australia	480,000 shares of \$2	3,332	—
*AFT Limited	Australia	Australia	500,000 shares of \$2	4,444	—
*AFT (Canberra) Limited	Australia	Australia	7 shares of \$2	—	—
*AFT Personal Retirement Plans Limited	Australia	Australia	60,000 shares of \$1	39	—
*AFT Property Company Limited	Australia	Australia	50,000 shares of \$2	693	—
*AFT Property Management Pty Limited	Australia	Australia	10,000 shares of \$1	263	—
*AFT Property Services Pty Limited	Australia	Australia	10,000 shares of \$1	469	—
*Australian Fixed Trusts Limited	Australia	Australia	400,000 shares of \$2	—	—
*Australian Fixed Trusts (Queensland) Limited	Australia	Australia	50,000 shares of \$2	—	—
*Australian Fixed Trusts (Tasmania) Limited	Australia	Australia	25,000 shares of \$2	—	—
*Australian Fixed Trusts (Victoria) Limited	Australia	Australia	350,000 shares of \$2	—	—
*Australian Fixed Trusts (WA) Limited	Australia	Australia	50,000 shares of \$2	—	—
South Australian Unit Trusts Limited	Australia	Australia	100,000 shares of \$2	—	—

§ Audited by overseas Peat, Marwick, Mitchell & Co firms \* Not audited by Peat, Marwick, Mitchell & Co



Holding company's beneficial interest and investment				Held by	Nature of business
%	\$'000	%	\$'000		
1984		1983			
100	—	100	—	FCA and ANZ Adelaide Property	Investment company
100	#	100	#	ANZ Banking Group	Nominee services
100	—	100	—	ANZ Adelaide Group	Non-operative
100	66,116	100	66,116	ANZ Banking Group	Property owning company
100	—	100	—	ANZ Adelaide Group	Property owning company
75	34,566	75	42,784	ANZ Banking Group	Full range of banking services
100	—	100	#	ANZ Banking Group	Custodian and nominee services
100	12	—	—	ANZ Banking Group	Finance activities
100	—	100	—	ANZ Investments	Negotiation of foreign currency loans
100	4,000	100	1,000	ANZ Banking Group	Executor and trustee services
100	—	100	—	ANZ Executors & Trustee	Trustee, nominee and agency business
100	—	100	—	ANZ Executors & Trustee	Trustee, nominee and agency business
100	—	100	—	ANZ Executors & Trustee	Trustee, nominee and agency business
100	16,239	100	16,239	ANZ Banking Group	
				ES&A Holdings	Finance activities
100	#	100	#	ANZ Banking Group	Non-operative
100	—	100	—	ES&A Holdings	Investment company
100	54,759	100	54,759	ANZ Banking Group	Property owning company
100	#	100	#	ANZ Banking Group	Holder of subsidiary and other company shares
100	—	100	—	Melbourne Safe Deposit	Unit trust managers
100	—	100	—	ANZ Managed Investments	Non-operative
100	—	100	—	ANZ Managed Investments	Non-operative
100	—	100	—	ANZ Managed Investments	Non-operative
100	—	100	—	ANZ Managed Investments	Non-operative
100	—	100	—	ANZ Managed Investments	Non-operative
100	—	100	—	ANZ Managed Investments	Non-operative
100	—	100	—	ANZ Managed Investments	Non-operative
100	2	100	2	ANZ Banking Group	Nominee services
100	2	100	2	ANZ Banking Group	Nominee services
100	#	100	#	ANZ Banking Group	Provision of foreign currency loans
100	10	100	10	ANZ Banking Group	Trustee of staff pension funds
100	375	100	417	ANZ Banking Group	Trustee of staff pension funds
100	#	100	#	ANZ Banking Group	Trustee of staff pension funds
100	—	100	—	ANZ Banking Group (NZ)	Trustee of staff pension funds
100	—	100	—	ANZ Savings Bank	Property owning company
75	—	75	—	ANZ Banking Group (NZ)	Property owning company
75	—	75	—	ANZ Banking Group (NZ)	Savings bank
100	—	100	—	ANZ (Channel Islands)	Trustee
100	375	100	417	ANZ Banking Group	Full range of banking services
85	2,186	85	2,207	ANZ Banking Group	Full range of banking services
100	7,500	100	7,500	ANZ Banking Group	Savings bank
100	#	100	#	ANZ Banking Group	Co-ordination and arrangement of leveraged lease facilities
100	64,120	—	—	ANZ Banking Group	Investment Banking
80	—	—	—	Delfin - BNY Acceptances and AFT	Marketing and operating a cash management trust
100	—	—	—	Development Finance Corporation	Management of unit trusts and other funds
100	—	—	—	AFT Investors Services	Marketing of property and equity unit trusts
100	—	—	—	AFT Investors Services	Retirement fund trustees
100	—	—	—	AFT Investors Services	Managers of unit trust based on retirements funds
100	—	—	—	AFT Investors Services	Management and marketing of property unit trusts
100	—	—	—	AFT Investors Services	Real estate management for property unit trusts
100	—	—	—	AFT Investors Services	Real estate management for property unit trusts
100	—	—	—	AFT Investors Services	Trustee for retirement and superannuation funds
100	—	—	—	AFT Investors Services	Trustee for retirement and superannuation funds
100	—	—	—	AFT Investors Services	Trustee for retirement funds
100	—	—	—	AFT Investors Services	Trustee for superannuation funds
100	—	—	—	AFT Investors Services	Trustee for retirement funds
100	—	—	—	AFT Investors Services	Trustee

# Amounts under \$500 † Profit for Development Finance Corporation Limited and its subsidiaries is for the 15 months period ended 30 September 1984.



Subsidiary Companies and Group Interests continued	Incorporated in	Principal areas of operations	Issued capital	Contribution to group result \$'000	
				1984	1983
* Delfin – BNY Acceptances Limited	Australia	Australia	4,150,000 shares of \$1	935	—
* Delfin Corporate Services Limited	Australia	Australia	350,000 shares of \$1	3	—
* Delfin Financial Services Limited	Australia	Australia	10,000 shares of \$1	—	—
* Delfin Portfolio Management Pty Limited	Australia	Australia	500,000 shares of \$1	—	—
* Delfin Investment Services Limited	Australia	Australia	250,000 shares of \$2	102	—
* Delfin (NSW) Pty Limited	Australia	Australia	500,000 shares of \$1	63	—
* Development Nominees Pty Limited	Australia	Australia	4 shares of \$2	—	—
* Provident Nominees Pty Limited	Australia	Australia	2 shares of \$2	—	—
* Delfin Securities Pty Limited	Australia	Australia	10,000 shares of \$2	—	—
* Delfin Underwriting Limited	Australia	Australia	100,000 shares of \$2	2	—
* Development Holdings Limited	Australia	Australia	4,984,275 shares of \$1	1,309	—
* Allied Australian Investments Limited	Australia	Australia	520,000 shares of \$5	611	—
* Belobek Pty Limited	Australia	Australia	2 shares of \$1	—	—
* Delfin Property Group Limited	Australia	Australia	1,930,000 shares of \$1	270	—
* Delfin Management Services Pty Limited	Australia	Australia	200,000 shares of \$1	240	—
* Delfin Realty Pty Limited	Australia	Australia	2 shares of \$1	185	—
* Delfin Retirement Properties Pty Limited	Australia	Australia	10,000 shares of \$1	6	—
West Lakes Limited	Australia	Australia	4,100,000 shares of 50¢	1,588	—
Lakes Shore Hotel Pty Limited	Australia	Australia	4,000 shares of \$1	10	—
West Lakes Constructions Pty Limited	Australia	Australia	10,000 shares of \$1	62	—
* Development Capital of Australia Pty Limited	Australia	Australia	10,000 shares of \$1	—	—
* Sandomir Pty Limited	Australia	Australia	2 shares of \$1	5	—
* Japan Australia Investment Company Limited	Australia	Australia	1,000,000 shares of \$1	6	—
§ Endeavour Investments (New Zealand) Limited	New Zealand	New Zealand	4,000,000 shares of NZ\$1	—	—
* Esanda Limited	Australia	Australia	165,000,000 shares of \$1	37,671	38,954
* Esanda (Finance) Limited	Australia	Australia	5 shares of \$2	167	—
* Esanda (Wholesale) Pty Limited	Australia	Australia	50 shares of \$2	—	—
§ Esanda Nominees Limited	England	England	100 shares of £1	—	—
ES&A Holdings Limited	Australia	Australia	12,600,000 shares of \$1	11	10
ES&A Nominees (Australia) Proprietary Limited	Australia	Australia	50 shares of \$2	—	—
ES&A Properties (Australia) Limited	Australia	Australia	2,000,000 shares of \$1	9	10
§ ES&A Properties (UK) Limited	England	England	125,000 shares of £1	1	—
Finance Corporation of Australia Limited	Australia	Australia	41,000,000 shares of \$1	11,358	9,219
			55,000,000 non-cumulative redeemable preference shares of \$1		
FCA Leasing Pty Limited	Australia	Australia	250,000 shares of \$2	1	258
FCA Finance Pty Limited	Australia	Australia	260,000 shares of \$2	2,893	4,263
FCA (Wholesale) Pty Limited	Australia	Australia	100 shares of \$1	—	—
Ashmore Village Pty Limited	Australia	Australia	90 shares of \$1	—	—
Delana Pty Limited	Australia	Australia	2 shares of \$1	208	—
Endeavour Hills Pty Limited	Australia	Australia	3 shares of \$1	—	—
Meadowlake Pty Limited	Australia	Australia	60 shares of \$1	—	—
Ironbark Developments Pty Limited	Australia	Australia	90 shares of \$1	—	—
Lefca Developments (Section 7) Pty Limited	Australia	Australia	100 shares of \$1	—	—
Lefca Investments Pty Limited	Australia	Australia	2 shares of \$1	—	—
* Grindlays Holdings plc	England	International	66,534,575 shares of 25p	—	—
* Grindlays Bank plc	England	International	800,000 shares of £1	—	—
			60,000,000 deferred shares of £1		
* Avrenim Catering Services Limited	England		100 shares of £1	—	—
* Avrenim Leasing Limited	England	England	100 shares of £1	—	—
* Clive Street Nominees Private Limited	India	India	100 shares of RS10	—	—
* Gillespie Bros & Company Limited	England	England	1,000,000 shares of £1	—	—
* Gillespie Bros & Company (Overseas) Limited	England	Bahamas	1,000 shares of Bahamas \$1	—	—
* Gillespie Bros USA Inc	USA	USA	100 shares of US1¢	—	—
* Gillespie (Trade Finance) Pty Limited	Australia	Australia	12 shares of \$1	—	—
* West Indian Development Company Limited	England		1,000 shares of 5p, 1,000 pref £1	—	—
* Grindlays Asia Pacific Holdings Limited	Hong Kong	Hong Kong	1,000 shares of HK\$100	—	—
* Grindlays Asia Limited Hong Kong	Hong Kong	Hong Kong	10,000,000 shares of HK\$1	—	—
* Grindlays Asia Pacific Management Services Limited	Hong Kong	Hong Kong	2 shares of US\$10	—	—
Grindlays Australia Limited	Australia	Australia	4,750,000 shares of \$1	—	—
Grindlays Securities Australia Ltd.	Australia	Australia	10,000,000 shares of \$1	—	—
Ferore No. 1 Pty Limited	Australia		20,003 shares of \$2	—	—
* Grindlays Bank International (Kenya) Limited	Kenya	Kenya	500,000 shares of K.Sh.20	—	—
* Grindlays International Finance (Kenya) Limited	Kenya	Kenya	250,000 shares of K.Sh.20	—	—
* Grindlays Nominees (Kenya) Limited	Kenya	Kenya	100 shares of K.Sh.20	—	—
* Grindlays Bank International (Uganda) Limited	Uganda	Uganda	100,000 shares of U.Sh.20	—	—
* Grindlays Bank International (Zambia) Limited	Zambia	Zambia	2,800,000 shares of Kw.1	—	—
* Grindlays Leasing of Zambia Limited	Zambia	Zambia	500,000 shares of Kw.1	—	—

§ Audited by overseas Peat, Marwick, Mitchell & Co firms \* Not audited by Peat, Marwick, Mitchell & Co



%	Holding company's beneficial interest and investment		Held by		Nature of business
	\$'000	%	\$'000	%	
	1984	1983	1984	1983	
60	—	—	—	Development Finance Corporation	Merchant banking
100	—	—	—	Development Finance Corporation	Investment banking
100	—	—	—	Development Finance Corporation	Leasing services
100	—	—	—	Development Finance Corporation	Investment company
100	—	—	—	Delfin Portfolio Management	Investment management
100	—	—	—	Delfin Portfolio Management	Share trading
100	—	—	—	Delfin Portfolio Management	Nominee
100	—	—	—	Delfin Portfolio Management	Nominee
100	—	—	—	Development Finance Corporation	Trustee
100	—	—	—	Development Finance Corporation	Underwriting services
100	—	—	—	Development Finance Corporation	Industrial investment and holding company
100	—	—	—	Development Holdings	Investment in corporate securities
100	—	—	—	Development Holdings	Investment in corporate securities
100	—	—	—	Development Holdings	Property development and investment banking
100	—	—	—	Delfin Property Group	Land and shopping centre management
100	—	—	—	Delfin Management Services	Real estate agents
100	—	—	—	Delfin Property Group	Land investment
100	—	—	—	Delfin Property Group	Land development and investment
100	—	—	—	West Lakes	Land investment
100	—	—	—	West Lakes	Construction of residential and commercial buildings
100	—	—	—	Development Holdings	Investment banking
100	—	—	—	Development Holdings	Investment in corporate securities
100	—	—	—	Development Finance Corporation	Investment banking
75	—	75	—	ANZ Banking Group (NZ)	Majority shareholder of UDC Group Holdings Ltd
100	112,696	100	62,696	ANZ Banking Group	Hire purchase, lease, instalment and general finance facilities
100	—	—	—	Esanda	Lease finance facilities
100	—	100	—	Esanda	Hire purchase, lease, instalment and general finance facilities
100	#	100	#	ANZ Banking Group	Nominee services
100	22,210	100	22,210	ANZ Banking Group	Property and investment owning company
100	#	100	#	ANZ Banking Group	Nominee services
100	—	100	—	ES&A Holdings	Property owning company
100	187	100	208	ANZ Banking Group	Property owning company
100	—	100	—	Esanda	Real estate, leasing and general finance facilities
100	—	100	—	FCA	Lease finance
100	—	100	—	FCA	Real estate development and finance facilities
100	—	100	—	FCA	Motor vehicle finance
100	—	100	—	FCA Finance	Agent and trustee
100	—	50	—	FCA Finance	Real estate developers
66.6	—	33.3	—	FCA Finance	Trustee
100	—	100	—	FCA Finance	Real estate development
100	—	100	—	FCA Finance	Non-operative
100	—	100	—	FCA Finance	Beneficiary of land development partnership
100	—	50	—	FCA Finance	Trustee
100	163,428	—	—	ANZ Banking Group	Banking and related services
100	112,508	—	—	Grindlays Holdings and ANZ Banking Group	Banking
100	—	—	—	Grindlays Bank	Non-operative
100	—	—	—	Grindlays Bank	Lease finance
100	—	—	—	Grindlays Bank	Nominee company
100	—	—	—	Grindlays Finance Corporation	Confirming house
100	—	—	—	Gillespie Bros	Confirming house
100	—	—	—	Gillespie Bros	Confirming house
100	—	—	—	Gillespie Bros	Non-operative
100	—	—	—	Gillespie Bros	Non-operative
100	—	—	—	Grindlays Industrial Holdings	Deposit taking institution
100	—	—	—	Grindlays Asia Pacific	Deposit taking institution
100	—	—	—	Grindlays Asia Pacific	Management services
100	—	—	—	Grindlays Industrial Holdings	Merchant banking
100	—	—	—	Grindlays Australia	Securities & money market dealer
100	—	—	—	Grindlays Securities (Aust)	Non-operative
60	—	—	—	Grindlays Industrial Holdings	Banking
60	—	—	—	Grindlays Bank Int (Kenya)	Project finance
60	—	—	—	Grindlays Bank Int (Kenya)	Nominee company
100	—	—	—	Grindlays Bank	Banking
100	—	—	—	Grindlays Industrial Holdings	Banking
100	—	—	—	Grindlays Bank Int (Zambia)	Lease finance

# Amounts under \$500



Subsidiary Companies and Group Interests continued	Incorporated in	Principal areas of operations	Issued capital	Contribution to group result \$'000	
				1984	1983
* Grindlays Nominees (Zambia) Limited	Zambia	Zambia	3 shares of Kw.2	—	—
* Grindlays Bank (Jersey) Limited	Jersey	Jersey	1,500,000 shares of £1	—	—
* Grindlays Bank Nominees (Jersey) Limited	Jersey	Jersey	100 shares of £1	—	—
* Grindlays Trust (Jersey) Limited	Jersey	Jersey	5,000 shares of £1	—	—
* Bantech Limited	Jersey	Jersey	30,000 shares of £1	—	—
* Grindlays Secretarial Services Limited	Jersey	Jersey	100 shares of £1	—	—
* Grindlays Bank (Overseas Management) Limited	England		100 shares of £1	—	—
* Grindlays Bank SA	France	France	600,000 shares of EFr.100	—	—
* Brandts France SA	France	France	1,000 bearer shares of EFr.100	—	—
* Grindinvest SA	France	France	2,490 bearer shares of EFr.100	—	—
* Grindlays Bank (Uganda) Limited	Uganda	Uganda	1,000,000 shares of U.Shs.20	—	—
* Grindlay Brandts Executor & Trustee Company Limited	England	England	250,000 shares of £1 (40p paid)	—	—
* Grindlays Brandts Export Finance Limited	England	England	250,000 shares of £1	—	—
* Grindlays Company Limited Hong Kong	Hong Kong	EEC Markets	10,000 shares of HK\$1	—	—
* Grindlays Export Finance AG	Switzerland	Switzerland	50 shares of SW Fr 1,000	—	—
* Grindlay Brandts AG	Switzerland	Switzerland	10,000 shares of Sw Fr 1,000	—	—
* Hotel Regina SA	Switzerland		200 bearer shares of Sw Fr 1,000	—	—
* Grindlays Trust Co SA	Switzerland	Switzerland	100 registered shares	—	—
* Rosignol Development Corporation	Panama	Panama	1,000 shares of US\$1	—	—
* SI Quai du Mont Blanc 7	Switzerland	Switzerland	300 bearer shares of Sw Fr 1,000	—	—
* Grindlays Eurofinance BV	Holland	Holland	500 shares of D.Fl.1,000	—	—
* Grindlays Executor & Trust Company (Private) Limited	Zimbabwe	Zimbabwe	2 shares of Z\$1	—	—
* Grindlays Finance Corporation Limited	England	England	2,000,000 shares of £1	—	—
* Atlas Hire Purchase Limited	England	England	100 shares of £1	—	—
* Atlas Factoring Services Limited	England		55,000 shares of £1	—	—
* Atlas Leasing Limited	England		100 shares of £1	—	—
* Brandts City Leasing Limited	England	England	1,000 shares of 10p	—	—
* Brandts Industrial Assets Limited	England	England	2 shares of £1	—	—
* Brandts Nominees Limited	England	England	100 shares of £1	—	—
* Brandts Second Nominees Limited	England	England	100 shares of £1	—	—
* Dagnal Shipping Company Inc	Panama	Panama	100 shares of US\$100	—	—
* Gillespie Bros (Holdings) Limited	England	England	829,560 shares of £1	—	—
* Glenlui Investments Limited	Scotland	London	100,000 shares of £1	—	—
* Grindlay Brandts Limited	England	England	7,500,000 shares of £1	—	—
* Grindlays Brandts GmbH	Austria		100 shares of Aust Sh 1,000	—	—
* Grindlay Brandts Industrial Finance Limited	England	England	100 shares of £1	—	—
* Grindlays Futures Limited	Scotland	London	2,000,000 shares of 25p	—	—
* Grindlays Industrial Finance Limited	England	United Kingdom	22,240,000 shares of 25p	—	—
* Grindlays Humberclyde Limited	England	England	500,000 shares of £1	—	—
* Grindlays Leasing Limited	England	England	100 shares of £1	—	—
* Grindlays Scotland (Executor & Trustee) Limited	Scotland		100 shares of £1	—	—
* Humberclyde Livestock Limited	England	England	100 shares of £1	—	—
* Grindlays Securities Limited	England	London	270,000 shares of 20p	—	—
* Minerva Leasing Limited	England	England	100 shares of £1	—	—
* Minerva Nominees Scotland Limited	Scotland	Scotland	100 shares of £1	—	—
* Pargola (Shipping) Limited	England		100 shares of £1	—	—
* Snow Goose Compania Naviera S A	Panama	Panama	2 subscription transfer shares	—	—
* Spey Securities Limited	England		1,000 shares of £1	—	—
* Union Property & Assets Company Limited	Scotland		100,000 shares of £1	—	—
* Union Property and Assets (Holdings) Limited	Scotland		40,100 shares of £1	—	—
* Wm. Brandts Sons & Co Limited	England		100 shares of £1	—	—
* Willings International Sales Limited	Scotland		100 shares of £1	—	—
* MacBlast (Scotland) Limited	Scotland		400 shares of 25p	—	—
* Humberclyde Assets Limited	England	England	100 shares of £1	—	—
* Humberclyde Finance Limited	England	England	100 shares of £1	—	—
* Humberclyde Leasing Limited	England	England	1,000 shares of £1	—	—
* Grindlays Equipment Finance Limited	England	England	100 shares of £1	—	—
* Grindlays Industrial Leasing Limited	England	England	100 shares of £1	—	—
* Grindlays Industrial and Commercial Finance Limited	Zimbabwe	Zimbabwe	1,100,000 shares of Z \$1	—	—
* Grindlays Industrial Holdings Limited	England	England	1,845,000 shares of £1	—	—
* Teledredit Limited	England		100 shares of £1	—	—
			20,500 deferred shares of £1	—	—
* Banque Grindlay Internationale au Zaire SZARL	Zaire	Zaire	250,000 shares of Z \$1	—	—
* British Bank of Commerce (Securities) Limited	Scotland		50,000 shares of £1	—	—
* Grindlays Bank of Canada	Canada	Canada	75,000 shares of Can \$100	—	—
* Grindlays International Limited	Hong Kong	Bahrain	200,000 shares of HK\$100	—	—
* National and Grindlays Bank Limited	England		100,000 shares of £5	—	—

§ Audited by overseas Peat, Marwick, Mitchell & Co firms \* Not audited by Peat, Marwick, Mitchell & Co



%	Holding company's beneficial interest and investment				Held by	Nature of business
	\$'000		%			
	1984	1983	1984	1983		
100	—	—	—	Grindlays Bank Int (Zambia)	Nominee company	
100	—	—	—	Grindlays Industrial Holdings	Banking	
100	—	—	—	Grindlays Bank (Jersey)	Nominee company	
100	—	—	—	Grindlays Bank (Jersey)	Trust related matters	
70	—	—	—	Grindlays Bank (Jersey)	Grindlays group software enhancement	
100	—	—	—	Grindlays Bank (Jersey)	Company administration	
100	—	—	—	Grindlays Bank	Non-operative	
100	—	—	—	Grindlays Industrial Holdings	Banking	
100	—	—	—	Grindlays Bank SA	Property trading company	
99.6	—	—	—	Grindlays Bank SA	Investment management company	
51	—	—	—	Grindlays Bank	Banking	
100	—	—	—	Grindlays Bank	Corporate trustee	
100	—	—	—	Grindlays Finance Corporation	Export financing	
100	—	—	—	Grindlay Brandts Export Finance	Export finance in EEC markets	
100	—	—	—	Grindlay Brandts Export Finance	Export finance in EEC markets	
100	—	—	—	Grindlays Industrial Holdings	Banking	
100	—	—	—	Grindlay Brandts and Grindlays Bank	Non-operative	
100	—	—	—	Grindlay Brandts AG	Trust managers	
50	—	—	—	Grindlay Brandts AG	Tanker chartering & name protection	
100	—	—	—	Grindlay Brandts and Grindlays Bank	Property construction	
100	—	—	—	Grindlays Bank	Financing of companies	
100	—	—	—	Grindlays Bank	Executor and trust company	
100	—	—	—	Grindlays Bank	Holding company	
100	—	—	—	Grindlays Finance Corporation	Hire purchase finance	
100	—	—	—	Grindlays Finance Corporation	Non-operative	
100	—	—	—	Grindlays Finance Corporation	Non-operative	
100	—	—	—	Grindlays Finance Corporation	Lease finance	
100	—	—	—	Grindlays Finance Corporation	Lease finance	
100	—	—	—	Grindlays Finance Corporation	Nominee company	
100	—	—	—	Grindlays Finance Corporation	Nominee company	
100	—	—	—	Grindlays Finance Corporation	Lease finance	
100	—	—	—	Grindlays Finance Corporation	Confirming house, export finance	
100	—	—	—	Grindlays Finance Corporation	Non-operative	
100	—	—	—	Grindlays Finance Corporation	Banking	
75	—	—	—	Grindlays Finance Corporation	Non-operative	
100	—	—	—	Grindlays Finance Corporation	Hire purchase finance	
100	—	—	—	Grindlays Finance Corporation	Financial futures dealing	
100	—	—	—	Grindlays Finance Corporation	Banking	
100	—	—	—	Grindlays Finance Corporation	Holding company	
100	—	—	—	Grindlays Finance Corporation	Lease finance	
100	—	—	—	Grindlays Finance Corporation	Non-operative	
100	—	—	—	Grindlays Finance Corporation	Livestock lease finance	
100	—	—	—	Grindlays Finance Corporation	Trading securities	
100	—	—	—	Grindlays Finance Corporation	Lease finance	
100	—	—	—	Grindlays Finance Corporation	Nominee company	
100	—	—	—	Grindlays Finance Corporation	Non-operative	
100	—	—	—	Grindlays Finance Corporation	Shipping	
100	—	—	—	Grindlays Finance Corporation	Non-operative	
100	—	—	—	Grindlays Finance Corporation	Non-operative	
100	—	—	—	Grindlays Finance Corporation	Non-operative	
100	—	—	—	Grindlays Finance Corporation	Non-operative	
100	—	—	—	Grindlays Finance Corporation	Non-operative	
100	—	—	—	Grindlays Finance Corporation	Non-operative	
100	—	—	—	Grindlays Finance Corporation	Full payout lease finance	
100	—	—	—	Grindlays Finance Corporation	Hire purchase finance	
100	—	—	—	Grindlays Finance Corporation	Full payment lease finance	
100	—	—	—	Grindlays Finance Corporation	Lease finance	
100	—	—	—	Grindlays Finance Corporation	Lease finance	
100	—	—	—	Grindlays Bank	Hire purchase, lease and term loan facilities	
100	—	—	—	Grindlays Finance Corporation	Holding company	
100	—	—	—	Grindlays Finance Corporation	Non-operative	
100	—	—	—	Grindlays Industrial Holdings	Banking	
100	—	—	—	Grindlays Industrial Holdings	Non-operative	
100	—	—	—	Grindlays Industrial Holdings	Banking	
100	—	—	—	Grindlays Industrial Holdings	Offshore banking	
100	—	—	—	Grindlays Industrial Holdings	Non-operative	

# Amounts under \$500



Subsidiary Companies and Group Interests continued	Incorporated in	Principal areas of operations	Issued capital	Contribution to group result \$'000	
				1984	1983
* Spey Developments Limited	England		800,000 shares of 25p	—	—
* Spey Industrials Limited	England		100 shares of £1	—	—
* Spey Investments Limited	Scotland		500,100 shares of £1	—	—
* Spey Nominees Limited	England	England	100 shares of £1	—	—
Grindlay Brandts Australia Limited	Australia	Australia	91,000 shares of \$1 fully paid 4,909,000 shares of \$1 partly paid	—	—
Grindlay Brandts Securities Limited	Australia		5 shares of \$1	—	—
* Grindlays (No. 1) Investments	England	England	100 shares of £1	—	—
* Grindlays (No. 2) Investments	England	England	100 shares of £1	—	—
* Grindlays (No. 3) Investments	England	England	100 shares of £1	—	—
* Grindlays (No. 4) Investments	England	England	100 shares of £1	—	—
* Grindlays (No. 5) Investments	England	England	100 shares of £1	—	—
* Grindlays (No. 6) Investments	England	England	100 shares of £1	—	—
* Grindlays (No. 7) Investments	England	England	100 shares of £1	—	—
* Grindlays (No. 8) Investments	England	England	100 shares of £1	—	—
* Grindlays (No. 9) Investments	England	England	100 shares of £1	—	—
* Grindlays (No. 10) Investments	England	England	100 shares of £1	—	—
* Mayvest BV	Netherlands	Netherlands	300 shares of Fl 1,000	—	—
* Tamington NV	Netherland/Antilles	International	80,000 shares of US\$1	—	—
* Grindlays International (Cayman) Limited	Cayman Islands		10,000 shares of US\$1	—	—
* Grindlays International (Panama) Inc	Panama		100 bearer shares of US\$1	—	—
* Grindlays International (Gibraltar) Limited	Gibraltar		2 shares of £1	—	—
* Renet Limited	Isle of Man		100 shares of £1	—	—
* Charter Partners Limited	Bahamas		10,000 shares of US\$1	—	—
* Grindlays Nominees (Pakistan) Limited	Pakistan	Pakistan	100 shares of Rs 10	—	—
* Grindlays Nominees (Private) Limited	Zimbabwe	Zimbabwe	5 shares of Z\$2	—	—
* Grindlays Participacoes e Servicos Limitada	Brazil	Brazil	5,713,200 shares of Cr 1	—	—
* Minerva Nominees Limited	England	England	3 shares of £1	—	—
* National and Grindlays Bank Trust Company Limited	England	England	100 shares of £1	—	—
* National and Grindlays Nominees Limited	England	England	100 shares of £1	—	—
* National Bank of India Limited	England		100 shares of £1	—	—
* Parliament Street Nominees Limited	England	England	5 shares of £1	—	—
* Von Seidels Nominee Company (Private) Limited	Zimbabwe	Zimbabwe	100 shares of Z\$2	—	—
* Wm. Brandts (Timber) Limited	England	England	200,000 shares of £1	—	—
* Multi Marketing Limited	England	England	10,000 shares of £1	—	—
* Sam C. Thomson (Timber) Company Limited	Scotland	Scotland	1,000 shares of £1	—	—
* Wm. Brandts (Hardwood) Limited	England	England	25,000 shares of £1	—	—
* Wm. Brandts (Wallply) Limited	England	England	50,000 shares of £1	—	—
* Polish Timber Products Limited	England	England	20,000 shares of £1	—	—
* Brandts Woodpulp International Limited	England	England	15,000 shares of £1	—	—
Leveraged Lease Packaging Pty Limited	Australia	Australia	4 shares of \$2	—	—
McCaughan Dyson Futures Limited	Australia	Australia	635,000 shares of \$1	—	—
Melbourne Safe Deposit Pty Limited	Australia	Australia	29,000 shares of \$1	2	2
Monge Pty Limited	Australia	Australia	2 shares of \$1	—	—
Yarraga Pty Limited	Australia	Australia	2 shares of \$1	—	—
§UDC Group Holdings Limited	New Zealand	New Zealand	18,360,000 shares of NZ\$1 fully paid 21,640,000 shares of NZ\$1 uncalled	17	16
§UDC Finance Limited	New Zealand	New Zealand	3,000,000 shares of NZ\$1	1,184	2,656
§UDC Mercantile Securities Limited	New Zealand	New Zealand	2,500,000 shares of NZ\$2	2,175	1,479
§UDC Properties Limited	New Zealand	New Zealand	65,000 shares of NZ\$2	11	11
§UDC Developments Limited	New Zealand	New Zealand	20,000 shares of NZ\$1	3	16
§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\$0.4	—	2
§Mercantile Discounts Limited	New Zealand	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	—	—
§Lambton Investment Company Limited	New Zealand	New Zealand	204,292 shares of NZ\$1	26	34
§Commercial Developments Limited	New Zealand	New Zealand	2,000 shares of NZ\$1	—	6
§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	—	—
§Mercantile Securities (Hong Kong) Limited	Hong Kong	Hong Kong	5,000 shares of HK\$2	264	234

§ Audited by overseas Peat, Marwick, Mitchell & Co firms \* Not audited by Peat, Marwick, Mitchell & Co







Subsidiary Companies and Group Interests continued	Incorporated in	Principal areas of operations	Issued capital	Contribution to group result \$'000	
				1984	1983
§Quebracho Investments N.V.	Netherland/Antilles	Curacao	6,000 shares of US\$1	—	—
§Leveraged Lease Nominees Limited	New Zealand	New Zealand	1,000 shares of NZ\$1	—	—
Companies sold or liquidated				996	—
Adjustment on Consolidation				618	26
				269,037	197,900

§ Audited by overseas Peat, Marwick, Mitchell & Co firms

	Incorporated in	Principal areas of operations	Issued capital	Group Interest
<b>Associated Companies</b>				
Allied Mortgage Guarantee Co. Limited	New Zealand	New Zealand	2,000,000 shares of NZ\$1 each	25%
Amalgamated Finance Limited	New Zealand	New Zealand	10,000 shares of NZ\$2	37.5%
Australian International Finance Corporation Limited	Australia	Pacific Area	7,812,500 shares of \$1	40%
Australian Resources Development Bank Limited	Australia	Australia	11,088 shares of \$1,000	25%
Charge Card Services Limited	Australia	Australia	80,010 shares of \$1	20%
Fifty Seven Willis Street Limited	New Zealand	New Zealand	6,560,100 shares of NZ\$1	11.55%
McCaughan Dyson Holdings Limited	Australia	Australia	5,002,000 shares of \$1	50%
Melanesia International Trust Company Limited	Vanuatu	International	931,469 shares of 50p	45%
New Zealand Bankcard Associates Limited	New Zealand	New Zealand	30,000 shares of NZ\$1	25%
Chandlers (Australia) Limited	Australia	Australia	3,030,000 shares of \$1	50%
Chandlers Rental Pty Limited	Australia	Australia	180,000 shares of \$1	50%
AFT-Woolworths Realty Pty Limited	Australia	Australia	100,000 shares of \$1	50%
Cicero (No. 21) Pty Limited	Australia	Australia	5 shares of \$1	50%
Commercial Discount Co. Limited	Singapore	Singapore	10,000,000 shares of \$1	20%
Computations Pty Limited	Australia	Australia	533 shares of \$2	24.4%
Delfin Properties Pty Limited	Australia	Australia	180,008 shares of \$2	50%
Distaga Pty Limited	Australia	Australia	2 shares of \$1	50%
Fairlight Instruments Pty Limited	Australia	Australia	956,271 shares of \$1	31.16%
Japan Australia Acceptances Limited	Australia	Australia	1,500,000 shares of \$1	50%
Jovune Pty Limited	Australia	Australia	30,000 shares of \$1	50%
Jaybro Investments Pty Limited	Australia	Australia	840,000 shares of \$1	35.7%
M.L. Sporting Goods Pty Limited	Australia	Australia	328,000 shares of \$1	20.58%
Milac Pty Limited	Australia	Australia	2 shares of \$1	50%
Nabiac Farm Pty Limited	Australia	Australia	1,000,000 shares of \$1	37.5%
Overland Agencies Pty Limited	Australia	Australia	16,000 shares of \$2	50%
Pacific Corporate Services Pty Limited	Australia	International	149,800 shares of \$1	27.5%
LYC-AFT Securities Limited	Singapore	International	500,000 shares of \$1	50%
Grindlays Bahrain Bank	Bahrain	Bahrain	3,000,000 shares of BD1	40%
Asian International Merchant Bankers Berhad	Malaysia	Malaysia	5,000,000 shares of M\$1	27.5%
Merchant Bank (Ghana) Limited	Ghana	Ghana	2,000,000 shares of Cedi 1	30%



Holding company's beneficial interest and investment				Held by	Nature of business
%	\$'000	%	\$'000		
	<b>1984</b>		<b>1983</b>		
75	—	75	—	Mercantile Securities (Hong Kong)	Finance activities
75	—	75	—	UDC Finance	Nominee services
	<u>661,955</u>		<u>276,596</u>		

Held by	Nature of business
UDC Group Holdings	Guarantee of repayment of property mortgages
UDC Group Holdings	Dealer financing
ANZ Banking Group	Short and medium term lending and related financial services
ANZ Banking Group	Financing development of Australia's natural resources
ANZ Banking Group	Service company for administration and provision of bank charge cards
ANZ Banking Group (NZ)	Property owning company
ANZ Banking Group	Stock broking holding company
ANZ Investments	Trustee, corporate and financial services
ANZ Banking Group (NZ)	Service company for administration of charge card services
Development Holdings	Electrical retailing
Development Holdings	Hire purchase financing and television rental
AFT	Marketing and management of property unit trust
West Lakes	Property owners
Development Finance Corporation	Singapore money market official dealer
Belobek	Trustee of computer software services unit trust
Development Finance Corporation	Property owners
Sandomir	Trustee of unit trust manufacturing and distributing computer products
Development Holdings	Computer musical instrument manufacturer
Japan Australia Investment Corporation	Merchant Banking
Development Holdings	Investment in corporate securities
Development Holdings	Packaging materials manufacturer
Development Holdings	Sporting goods wholesaler
Sandomir	Trustee of unit trust marketing computer products
Delfin Management Services	Rural property owners and farming
Development Finance Corporation	Investment banking
Development Holdings	Corporate advice
AFT	Marketing and management of unit trusts
Grindlays Bank	Banking
Grindlays Industrial Holdings	Banking
Grindlays Industrial Holdings	Banking



	Consolidated		Holding Company	
	1984 \$'000	1983 \$'000	1984 \$'000	1983 \$'000

## 20 Future Income Tax Benefits

Included in all other assets	174,721	105,685	95,307	94,579
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Possible future income tax benefits in certain subsidiary companies arising from tax losses and timing differences have not been recognised as assets because recovery is not assured beyond all reasonable doubt. These possible benefits which could amount to \$26.364 million (1983 — \$7.444 million), will only be obtained if:

- (i) the relevant companies derive future assessable income of a nature and of amount sufficient to enable the benefit of the taxation deductions to be realised;
- (ii) the relevant companies continue to comply with the conditions for deductibility imposed by the law; and
- (iii) there are no changes in taxation legislation adversely affecting the relevant companies in realising the benefit of the taxation deductions.

## 21 Contingent Liabilities

Commercial bills endorsed	811,793	57,384	86,528	20,260
Liabilities under letters of credit	919,983	476,064	528,662	438,068
Guarantees entered into in the normal course of business	2,350,105	506,586	509,972	436,645
Other	761,877	547,638	678,014	526,013
	<b>4,843,758</b>	<b>1,587,672</b>	<b>1,803,176</b>	<b>1,420,986</b>

Australia and New Zealand Banking Group Limited has —

- (i) Guaranteed the depositors' balances with Australia and New Zealand Savings Bank Limited.
- (ii) 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.
- (iii) In accordance with section 22 of the Hong Kong Deposit Taking Company Ordinance given a letter of comfort to the Commissioner of Banking in Hong Kong in respect of the operations of ANZ Finance (Far East) Limited.
- (iv) Guaranteed payment on maturity of the principal and accrued interest of commercial paper notes issued by ANZ (Delaware) Inc. ANZ Banking Group (New Zealand) Limited has guaranteed the depositors' balances with ANZ Savings Bank (New Zealand) Limited.

## 22 Forward Exchange Contracts

There are outstanding contracts for the sale and purchase of foreign currencies. It is not envisaged that any irrecoverable liability will arise from these transactions.

## 23 Comparative Figures for 1983

Where necessary these figures have been adjusted to conform with changes in presentation made in 1984.



## Consolidated Statement of Source and Application of Funds for the year ended 30 September 1984

Source of Funds	1984 \$'000	1983 \$'000
Operating profit before tax, including minority interests	510,207	361,330
<b>Add:</b> Depreciation and other items not involving the outlay of funds in current period	<u>61,332</u>	<u>43,932</u>
Funds derived from operations	571,539	405,262
New share issues including premium on issue	280,055	1,607
Increases in:		
Deposits and borrowings by subsidiaries	7,426,832	774,570
Bills payable and all other liabilities	<u>3,359,289</u>	<u>299,511</u>
	<u>11,637,715</u>	<u>1,480,950</u>

### Application of Funds

Payment of dividends	69,972	58,589
Payment of tax	86,346	80,772
Goodwill on acquisition	143,535	—
Increases in:		
Premises, equipment and other fixed assets (net)	260,883	77,329
Liquid assets	2,130,417	423,749
Investments	987,996	498,140
Regulatory deposits with central and other banks	247,724	18,122
Loans, advances and net receivables	7,232,496	319,415
All other assets	<u>478,346</u>	<u>4,834</u>
	<u>11,637,715</u>	<u>1,480,950</u>

Notes:

During the year Grindlays Holdings plc and Development Finance Corporation Limited were acquired. Assets and liabilities acquired have been included in the funds statement. Details of the acquisitions are as follows:

	Grindlays Holdings plc \$'000	Development Finance Corporation Limited \$'000
<b>Consideration:</b>		
Grindlays Holdings		
Shares purchased for £2.75 cash each	284,927	—
Development Finance Corporation Limited		
9,499,594 shares at \$1.00 par value issued at premium of \$4.50 each	—	39,582
Shares purchased for \$11 cash each	—	52,248
Capitalisation of stamp duty on DFC shares transferred	—	551
	<u>284,927</u>	<u>92,381</u>
<b>Net assets acquired:</b>		
Premises, equipment and other fixed assets (net)	133,518	2,585
Liquid assets	1,953,421	213,577
Investments	872,927	34,327
Regulatory deposits with central and other banks	198,508	—
Loans, advances and net receivables	5,121,405	141,800
Customers' liability for acceptances	697,823	136,792
All other assets	330,270	41,701
Deposits and borrowings	(5,074,401)	(321,470)
Bank and other acceptances	(697,823)	(136,792)
Bills payable and all other liabilities	(3,364,556)	(30,871)
Minority interests	<u>(1,439)</u>	<u>(17,529)</u>
	169,653	64,120
Goodwill on acquisition	<u>115,274</u>	<u>28,261</u>
	<u>284,927</u>	<u>92,381</u>



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## Directors' Statement

### Statement by the Directors

In the opinion of the directors of Australia and New Zealand Banking Group Limited:

- (a) 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 30 September, 1984;
- (b) the accompanying profit and loss statement is drawn up so as to give a true and fair view of the profit of the Company for the year ended 30 September, 1984; and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

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 30 September, 1984; and
- (b) the state of affairs of the Company and its subsidiaries as at 30 September, 1984

so far as they concern members of the Company.

Dated at Melbourne this 3rd day of December, 1984.

Signed in accordance with a resolution of the directors.

**W. J. Vines** Director

**W. J. Bailey** Director

## Auditors' Report

### To the Members of Australia and New Zealand Banking Group Limited

We have audited the accounts set out on pages 29 to 50 in accordance with Australian Auditing Standards.

In our opinion:

- (a) the accounts are properly drawn up in accordance with the provisions of the Companies (Victoria) Code 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 30 September 1984 and the results of the Company and the Group for the year ended on that date so far as they concern members of the Company; and
  - (ii) the other matters required by Section 269 of that Code to be dealt with in the accounts and in Group accounts

and are in accordance with Australian Accounting Standards.

- (b) the accounting records, other records and the registers required by that Code 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 Code and, in the case of those subsidiaries incorporated in other States or Territories of the Commonwealth and of which we are the auditors, in accordance with the provisions of the corresponding law of those States or Territories.

The names of the subsidiaries of which we have not acted as auditors are set out in note 19 on pages 38 to 47 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 the Company's 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 auditors' report on the accounts of any of the subsidiaries was made subject to any qualification, or included any comment made under sub-section (4) of Section 285 of that Code.

**Peat, Marwick, Mitchell & Co.**  
Chartered Accountants

**R. C. Dunn**, Partner

Melbourne  
3rd December, 1984



# Australia and New Zealand Savings Bank Limited

Summary of the Audited Accounts\* as at 30 September 1984

## Balance Sheet as at 30 September 1984

	1984 \$'000	1983 \$'000		1984 \$'000	1983 \$'000
<b>Shareholders' funds</b>			<b>Assets</b>		
Authorised capital: 14,000,000 ordinary shares of \$1 each	14,000	14,000	Cash	288	239
Issued capital: 7,500,000 ordinary shares of \$1 each, fully paid	7,500	7,500	Deposits with Australia and New Zealand Banking Group Limited	1,861	—
Reserves	117,979	117,989	Loans to authorised dealers in the Australian short term money market	—	44,030
Retained profits	38,426	13,667	Australian public securities		
	163,905	139,156	(a) Commonwealth of Australia		
<b>Liabilities</b>			— Treasury notes	—	248,400
Deposits	3,715,796	3,305,098	— other	564,446	433,274
Provision for income tax	16,659	10,248	(b) Local & Semi Government	597,996	599,553
Bills payable and other liabilities	121,810	121,279	Other public securities	9,930	10,075
			Balances due by other banks	1,800	2,000
			Loans less provision for doubtful debts	2,783,103	2,183,623
			Shares in subsidiary	5,000	5,000
			Other securities	18,793	18,224
			Other assets	34,953	31,363
	4,018,170	3,575,781		4,018,170	3,575,781

## Profit and Loss Account for the year ended 30 September 1984

Expenses of management and interest paid	378,985	322,117	Discount and interest earned, commission and other items	451,208	375,833
Income tax expense	33,964	24,571			
Operating profit for year	38,259	29,145			
	451,208	375,833		451,208	375,833
Transfer to reserves	—	18,000	Balance brought forward	13,667	12,802
Dividend	13,500	10,280	Operating profit for year	38,259	29,145
Balance carried forward	38,426	13,667			
	51,926	41,947		51,926	41,947

\* Abridged format for information purposes only.



## Balance Sheet as at 30 September 1984

Shareholders' funds	1984 \$'000	1983 \$'000	Assets	1984 \$'000	1983 \$'000
Authorised capital: 250,000,000 ordinary shares of \$1 each	250,000	150,000	Deposits at call and short term investments	9,606	9,928
Issued capital: 165,000,000 ordinary shares of \$1 each, fully paid	165,000	115,000	Shares in associated and other companies	52	220
Capital reserve	146	146	Receivables, less provisions and less income yet to mature \$807,878 (1983 \$742,857)	2,851,670	2,523,140
Asset Revaluation Reserve	42,035	—	Premises and equipment	54,613	12,703
General reserve	72,000	72,000	Development ventures	22,882	9,425
Retained profits	54,773	97,690	Other assets	2,210	3,092
	<b>333,954</b>	<b>284,836</b>			
<b>Liabilities</b>					
Debenture Stock Maturing within one year \$623,888 (1983 \$703,435)	1,773,351	1,521,409			
Unsecured notes and deposits Maturing within one year \$478,935 (1983 \$497,975)	702,040	580,310			
Provision for income tax	406	13,169			
Other liabilities	131,282	158,784			
	<b>2,941,033</b>	<b>2,558,508</b>		<b>2,941,033</b>	<b>2,558,508</b>

## Profit and Loss Account for the year ended 30 September 1984

Expenses of management and interest paid	409,028	412,642	Interest earned and other items	501,075	506,813
Income tax expense	39,749	41,476			
Operating profit for year	52,298	52,695			
	<b>501,075</b>	<b>506,813</b>		<b>501,075</b>	<b>506,813</b>
Dividend — Esanda	63,100	13,500	Balance brought forward	97,690	62,765
— FCA	32,512	4,270	Profit for year	52,298	52,695
Balance carried forward	54,773	97,690	Extraordinary item	397	—
	<b>150,385</b>	<b>115,460</b>		<b>150,385</b>	<b>115,460</b>

\* On 1 July 1984 as part of a restructuring of the Group's finance company operations Finance Corporation of Australia Limited (FCA) became a subsidiary of Esanda Limited. For comparative information purposes only, the profit and loss accounts in abridged format for Esanda and FCA for 1984 and 1983 are consolidated. Similarly, the 1983 comparative balance sheet is restated to incorporate FCA.



# ANZ Banking Group (New Zealand) Limited

Summary of the Audited Consolidated Accounts\* as at 30 September 1984

## Balance Sheet as at 30 September 1984

	1984 NZ\$'000	1983 NZ\$'000		1984 NZ\$'000	1983 NZ\$'000
<b>Shareholders' funds</b>			<b>Assets</b>		
Authorised capital: 200,000,000 ordinary shares of NZ50¢ each	100,000	100,000	Cash and short term funds	24,381	27,579
Issued capital	66,583	53,148	Treasury bills	—	113,515
Reserves	117,421	77,757	New Zealand Government, local authority securities and other investments	689,776	474,672
Retained profits	17,005	17,422	Cheques in course of collection and balances with other banks	—	13,064
	201,009	148,327	Loans and advances	2,352,507	1,902,230
<b>Liabilities</b>			Bills receivable and remittances in transit	143,540	74,643
Deposits and borrowings	2,785,141	2,272,360	Acceptances of customers	180,343	83,999
Proposed final dividend	13,121	4,781	Premises and equipment	90,062	48,349
Provision for taxation	19,155	5,031	Investment in associated companies	1,707	1,632
Due to other banks	95,600	58,399	Loans to associated companies	1,341	6,828
Bank acceptances	180,343	83,999	All other assets	32,217	24,462
Bills payable, other provisions and other liabilities	221,505	198,076			
	3,515,874	2,770,973		3,515,874	2,770,973

## Profit and Loss Account for the year ended 30 September 1984

Expenses of management and interest paid	344,877	343,318	Discount and interest earned, commission and other items	453,676	428,573
Income tax expense	50,047	39,501			
Operating profit for year	58,752	45,754			
	453,676	428,573		453,676	428,573
Transfer to reserves	40,381	35,992	Balance brought forward	17,422	16,802
Dividend — interim	6,650	4,780	Operating profit for year	58,752	45,754
— proposed final	13,121	4,781	Extraordinary items	983	419
Balance carried forward	17,005	17,422			
	77,157	62,975		77,157	62,975

\* Abridged format for information purposes only



## Development Finance Corporation Limited

Summary of the Audited Consolidated Accounts\* as at 30 September 1984

### Balance Sheet as at 30 September 1984

	1984 \$'000	Assets	1984 \$'000
<b>Shareholders' funds</b>			
Authorised capital: 15,000,000 shares of \$1 each	15,000	Deposits with Australia and New Zealand Banking Group Limited	258
Issued capital	8,348	Cash at bankers and at call	74,386
Capital reserves	29,959	Cash on deposit	31,377
General reserves	2,350	Trading stock	79,114
Retained profits	33,117	Accounts receivable	11,709
	73,774	Premises and equipment	3,745
Minority shareholders' interest	3,168	Customers' liability for acceptances	126,169
<b>Liabilities</b>		Investments	45,585
Deposits	137,417	Other assets	3,647
Acceptances	126,169		
Provision for taxation	10,366		
Other liabilities	25,096		
	375,990		375,990

### Profit and Loss Account for 15 months ended 30 September 1984

Expenses of management and interest paid	55,183	Interest earned, commission and other items	87,040
Income tax expense	13,535		
Interest of minorities	2,336		
Operating profit for period	15,986		
	87,040		87,040
Transfer to reserves	194	Balance brought forward	23,204
Dividend	6,000	Operating profit for period	15,986
Balance carried forward	33,117	Extraordinary items	121
	39,311		39,311

\* Abridged format for information purposes only. Comparative figures are not provided as Development Finance Corporation Limited (DFC) was acquired early in the financial year. The profit and loss account is for the 15 months to 30 September 1984 as DFC's financial year in prior years ended on 30 June.



**Balance Sheet** as at 30 September 1984

	1984 £'000	Assets	1984 £'000
<b>Shareholders' funds</b>			
Authorised capital: 70,000,000 ordinary shares of 25p each	17,500	Cash and short term funds	1,503,719
Issued capital	16,634	Term deposits with banks and public bodies	117,519
Reserves	136,199	Investments	394,412
	152,833	Loans and advances	3,384,350
Minority shareholders' interest	31,286	Shares in associated companies	5,824
Loan capital	249,591	Premises and equipment	85,741
		Acceptances of customers	448,118
<b>Liabilities</b>			
Current deposits and other accounts	5,049,878		
Bank acceptances	448,118		
Provision for taxation	7,977		
	5,939,683		5,939,683

\* Abridged format for information purposes only. Comparative figures and the profit and loss account have not been provided as the acquisition of Grindlays Holdings plc took place in September 1984. Grindlays profits to 30 September 1984 have not been included in the Group's consolidated profit and loss account.



# Analysis of Shareholdings

## Twenty Largest Shareholders

As at 9 November, 1984, the twenty largest shareholders held 130,729,902 shares, which is equal to 42.9 per cent of the total issued capital of 305,072,695 shares of \$1 each. They were:

Shareholders:	No. of Shares	%
National Nominees Limited	24,535,847	8.0
A.N.Z. Nominees Limited	19,733,120	6.5
Australian Mutual Provident Society	15,678,316	5.1
C.T.B. Nominees Limited	13,239,527	4.3
The National Mutual Life Association of Australasia Limited	8,316,176	2.7
Nenom and Company Inc.	7,624,882	2.5
Bank of New South Wales Nominees Pty. Limited	5,686,113	1.9
The Colonial Mutual Life Assurance Society Limited	5,028,593	1.7
The Mutual Life and Citizens Assurance Company Limited	4,408,805	1.5
The Pearl Assurance Co. Limited	3,770,701	1.2
State Superannuation Board	3,398,320	1.1
Government Insurance Office of New South Wales	2,951,668	1.0
Pendal Nominees Pty. Limited	2,833,381	0.9
William and Glyn's Bank Limited "B.E.B" Account	2,320,306	0.8
Eagle Star Insurance Company Limited "H" Account	2,175,287	0.7
Midland Bank (Head Office) Nominees Limited	2,000,000	0.7
Commercial Union Assurance Company of Australia Limited	1,881,626	0.6
NRMA Investments (Pty.) Limited	1,749,682	0.6
Superannuation Fund Investment Trust	1,742,300	0.6
Provident and Pensions Holdings Pty. Limited	1,655,252	0.5
	<u>130,729,902</u>	<u>42.9</u>

**Voting Rights of Shareholders** The articles provide for: — on a show of hands: 1 vote  
— on a poll: 1 vote for each fully-paid share held  
1 vote for every 10 partly-paid shares issued pursuant to the Company's Senior Officers' Share Purchase Scheme

### Directors' Shareholding Interests

	Beneficial		Non-beneficial As at 21 October, 1984
	As at 21 October, 1984	As at 21 October, 1984	
	Fully- Paid Shares	Partly- Paid Shares#	
Sir William Vines	11,326	—	—
W. J. Bailey	6,974	40,000	—
M. D. Bridgland	3,375	—	—
E. H. Burgess	5,250	—	—
D. C. L. Gibbs	15,156	—	4,125
C. J. Harper	825	—	—
W. J. Holcroft	10,000	—	—
Dame Leonie Kramer	—	—	—
Sir James McNeill	14,125	—	—
Sir Laurence Muir	10,372	—	—
G. M. Niall	—	—	20,625
R. A. D. Nicolson	5,470	40,000	—
*L. M. Papps	—	—	1,200
A. J. O. Ritchie	—	—	—
	<u>82,873</u>	<u>80,000</u>	<u>25,950</u>

There were no changes in directors' shareholding interests in the Company between 21 October, 1984 and 30 November, 1984.

# Ordinary shares of \$1 each, paid as to 10 cents only, issued pursuant to the Company's Senior Officers' Share Purchase Scheme.

\* In addition, Mr L. M. Papps has a beneficial interest in 11,000 shares in a related company, ANZ Banking Group (New Zealand) Limited and also a non-beneficial interest in 49,600 shares in that company.

### Average Size of Shareholdings

As at 9 November, 1984 the average size of shareholdings was 6,254 (1983, 5,087).

### Distribution of Shareholdings

Range	Number of holders	% of holders	Number of shares 000's	% of shares
1 to 1,000 shares	23,521	48.2	10,250	3.4
1,001 to 5,000 shares	20,586	42.2	42,151	13.8
5,001 to 10,000 shares	2,683	5.5	17,368	5.7
Over 10,000 shares	1,989	4.1	235,304	77.1
	<u>48,779</u>	<u>100.0</u>	<u>305,073</u>	<u>100.0</u>

### Category of shareholder

Men	17,786	36.4	31,696	10.4
Women	20,009	41.0	32,552	10.7
Joint Accounts				
(Individuals)	4,523	9.3	9,637	3.2
Banks and Insurance				
Companies	1,103	2.3	63,428	20.8
Trustee Companies	175	0.4	5,798	1.9
Pension Funds	85	0.2	15,992	5.2
Nominee Companies	1,027	2.1	86,482	28.3
Other	4,071	8.3	59,488	19.5
	<u>48,779</u>	<u>100.0</u>	<u>305,073</u>	<u>100.0</u>

### Holders of non-marketable parcels

As at 9 November, 1984, shareholdings of less than a marketable parcel (1 share to 99 shares) totalled 1,401, which is equal to 2.9% of the total number of shareholdings.





Australia and New Zealand Banking Group Limited  
Administrative Headquarters  
Collins Place 55 Collins Street Melbourne 3000  
PO Box 537E Melbourne Vic 3001 Telephone 6582955

3rd December, 1984.

Dear Shareholder,

**ANZ Bank Dividend Reinvestment Plan**

On 19th November, your Board announced that the approval of shareholders would be sought to the introduction by the Company of a Dividend Reinvestment Plan.

The proposed Plan will provide shareholders with a favourable opportunity to reinvest their dividends in the capital of the Company.

I am now pleased to inform you of the main features of the Plan which are summarised in the attachment to this letter.

Implementation of the Dividend Reinvestment Plan is subject to the approval of shareholders. Resolutions giving the necessary approvals are set out in the Notice of the Annual General Meeting to be held on 21st January, 1985.

If the Plan is approved, it is intended that the first issue of shares coincide with payment of the interim dividend in 1985. This is usually paid in July. Full details of the Plan will be sent to you soon after the Annual General Meeting.

Your Board considers the options provided by the proposed Plan to be in the best interests of shareholders, and the Company, and recommends that you vote in favour of the Resolutions.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'W. Vines', written in a cursive style.

SIR WILLIAM VINES,  
*Chairman.*



# ANZ Bank Dividend Reinvestment Plan

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Summary of the main features of the Plan –

## 1. Participation

- Participation will be optional.
- Participants will have the choice of –
  - full participation (i.e. with dividend on all shares held by the shareholders reinvested in new shares), or
  - partial participation (i.e. where the dividend on a specific number of shares, being part only of the total holding of the shareholder, will be reinvested in new shares with all shares issued under the Plan added to the number of shares nominated as participating in the Plan).
- Overseas Resident Shareholders  
Legal constraints in their country of residence may make it impracticable for overseas residents of certain countries to participate in the Plan. For those overseas residents who participate, withholding tax will be deducted (where applicable) from the dividend applied to the Plan and only the net amount will be available for subscription for Plan shares.
- Alteration to participation  
Participants will be able to vary their participation or withdraw from the Plan.

## 2. Issue Price of Plan Shares

Shares will be issued at a discount of 5% on a weighted average sale price of the Bank's shares on The Stock Exchange of Melbourne Limited during the five trading days immediately following the books closing date for determination of the relevant dividend and be free of brokerage, commission, stamp duty costs and other costs.

## 3. Ranking of Plan Shares

Shares issued under the Plan will rank equally in all respects with all other fully paid shares on issue having full dividend rights.

## 4. Sale of Plan Shares

Participants will be able to sell shares issued under the Plan at any time.

## 5. Share Certificates

Share certificates will be issued to each participant for the number of Plan shares allotted in respect of each dividend.

## 6. Modification of the Plan

The Company will give notice in writing to shareholders not less than three months before the Plan is modified or terminated at any time.





## NOTICE OF MEETING

Notice is hereby given that the sixteenth Annual General Meeting of Australia and New Zealand Banking Group Limited will be held at the ANZ Pavilion, The Theatres, Victorian Arts Centre, St. Kilda Road, Melbourne, on Monday, 21st January, 1985, at 11.00 a.m., for the following purposes:

### Ordinary Business

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, 1984 and the reports of the directors and auditors thereon.
2. To declare a final dividend for the year ended 30th September, 1984:  
The directors have proposed a dividend of 15 cents per share on such of the shares as have full dividend rights, payable to members entered on the register at the close of business on 29th January, 1985.
3. To elect directors:  
Sir James McNeill, Mr. G. M. Niall and Mr. L. M. Papps retire by rotation in accordance with the Company's Articles of Association and, being eligible, offer themselves for re-election. Mr. W. J. Bailey, Mr. R. A. D. Nicolson and Mr. A. J. O. Ritchie were appointed directors since the last Annual General Meeting pursuant to Article 91 of the Company's Articles of Association and, accordingly, hold office only until this Annual General Meeting. Being eligible, they offer themselves for re-election.
4. To transact any other business which may be brought forward in conformity with the Articles of Association.

### Special Business

5. To consider and, if thought fit, to pass the following ordinary resolutions:
  - (i) THAT it is desirable to capitalise part of the amount standing to the credit of the Company's Asset Revaluation Reserve and accordingly the Directors be and they are hereby authorised and directed to appropriate a sum not exceeding \$30,507,269 and being equal to the aggregate of the individual entitlements of the persons who at the close of business on the 29th January, 1985 are registered as the holders of shares in the capital of the Company to the said shareholders on the basis of one dollar for every ten shares then held by each of the said shareholders, fractions of one dollar to be disregarded, and to apply such sum on behalf of the said shareholders in paying up in full unissued shares of \$1.00 each in the capital of the Company, no premium being applicable and such shares to rank *pari passu* in all respects with such of the present issued shares in the capital of the Company as have full dividend rights (including the right to rank for the final dividend for the year

ended 30th September, 1984) and to be allotted and distributed credited as fully paid up to the said shareholders in the proportion aforesaid.

- (ii) THAT the capital of the Company be increased from \$350,000,000, divided into 350,000,000 shares of \$1 each, to \$450,000,000, divided into 450,000,000 shares of \$1 each.

6. To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

THAT the Board of Directors be and is hereby authorised to adopt and implement and at its discretion to maintain on terms and conditions determined by the Directors from time to time, the ANZ Bank Dividend Reinvestment Plan, the principal terms of which are summarised in the printed document submitted to the Meeting and for the purposes of identification subscribed by the Chairman thereof.

7. To consider and, if thought fit, to pass the following resolution as a special resolution:

THAT the Articles of Association of the Company be altered by adding the following paragraph to Article 126 at the end thereof –

"Subject to approval by the Company in General Meeting of the adoption of a Plan governing the same, any dividend or other moneys payable in cash on or in respect of a share may at the election of the shareholder entitled thereto be retained by the Company and applied in accordance with the Plan in payment of subscription moneys for fully paid up shares issued in accordance with the Plan. Any moneys so retained by the Company shall be deemed to have been paid to the shareholder concerned as a dividend and simultaneously repaid by the shareholder to the Company to be held by it and applied in accordance with the Plan."

By Order of the Board,  
**L. C. Graham**, *Secretary*,  
Melbourne.  
6th December, 1984.



## Information for Shareholders

### Share Register

The transfer books of the Company will be closed at 5.00 p.m. on the 29th January, 1985, 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 member's voting rights. A proxy need not be a member of the Company. A form of proxy is attached. In order to be valid, forms of proxy (properly completed) must be lodged at the respective offices 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 13th Floor, 55 Collins Street, Melbourne, Victoria, Australia;
- (ii) In the case of members registered on the New Zealand Register of the Company, at the office at which the Branch Share Register is kept at 215-229 Lambton Quay, Wellington, New Zealand;
- (iii) In the case of members registered on the London Register of the Company, at the office at which the Branch Share Register is kept at 6 Greencoat Place, London SW1P 1YU, 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 9th January, 1985 and, for the nomination to be effective, it must be lodged with the Secretary at the Registered Office of the Company, 13th Floor, 55 Collins Street, Melbourne, by that date.

### Ordinary Business

#### Item 2 – Dividend

The dividend proposed is for fully paid ordinary shares in the Company having full dividend rights. The only shares in the Company which do not have full dividend rights are shares issued under the ANZ Bank Senior Officers' Share Purchase Scheme while not fully paid up and for a short time after becoming fully paid up. Such shares are not listed on any Stock Exchange.

### Special Business

#### Item 5 (i) – Capitalisation Issue of Shares

The Directors announced on 19th November, 1984 that they consider the issued and paid up capital of the Company should now be increased by capitalising part of the Asset Revaluation Reserve. At the Annual General Meeting a Resolution will be considered authorising the capitalisation of an amount not exceeding \$30,507,269 and being equal to the aggregate of the individual entitlements of the holders of shares in the capital of the Company registered as at the close of business on 29th January, 1985 on the basis of one dollar, i.e. one new share, for every ten shares then held. Fractional entitlements will be disregarded.

The new shares will rank equally in all respects with the present issued fully paid shares of the Company, including the right to participate fully in the final dividend of 15 cents per share which the Directors recommend for payment on 25th February, 1985.

The Directors expect, in the absence of unforeseen circumstances, to pay dividends at an annual rate of not less than 30 cents per share on the increased capital of the Company. The consolidated profit result for the Company for the year to 30th September, 1984 was announced on 19th November, 1984 and details are shown in the accounts of the Company.

If the resolution is duly passed at the Annual General Meeting, transfer books will close at 5.00 p.m. on 29th January, 1985 for the purpose of determining entitlements to the issue. Fully paid definitive share certificates will be despatched to shareholders as soon as practicable after that date and it is anticipated that this will be completed by 25th February, 1985. The new shares arising from the issue will be entered on the Register(s) on which shareholders' existing shares are registered.

Application will be made for the listing and quotation of the new shares from 22nd January, 1985 on all Member Exchanges of the Australian Associated Stock Exchanges, the Stock Exchange in London and The New Zealand Stock Exchange; all dealings on and from that date until the definitive share certificates are issued being for deferred settlement on or after 28th February, 1985.

#### Item 5 (ii) – Increase in Authorised Share Capital

The Directors consider that on completion of the capitalisation issue it would be desirable to have a wider margin of unissued capital available, for issue in the future. It is therefore proposed to increase the authorised capital of the Company to \$450,000,000, by the creation of 100,000,000 additional shares of \$1 each, which will leave 114,420,036 shares unissued after the capitalisation issue has been effected. The Directors have no present intention of issuing any such shares and will not, without the approval of a general meeting, do so in circumstances which would alter the control of the Company.

#### Item 6 – Establishment of ANZ Bank Dividend Reinvestment Plan

Details of the Plan are referred to in the Chairman's letter, and the attachment thereto, accompanying the Notice convening this meeting.

#### Item 7 – Amendments to the Articles of Association of the Company

It is proposed to amend Article 126 of the Company's Articles of Association to enable the Dividend Reinvestment Plan to be implemented.





# Australia and New Zealand Banking Group Limited

## Form of Proxy

I/WE.....  
(Full name in block letters)

of.....  
(Full address) being (a) member(s) of

Australia and New Zealand Banking Group Limited, and holding..... ordinary

shares, hereby appoint..... or failing him/her the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Monday, 21st January, 1985, and at any adjournment thereof.

I/WE wish this proxy to be used in connection with resolutions to be proposed at the Annual General Meeting, as follows – (Please indicate with an "X" in the appropriate box, against each item, how you wish your vote(s) to be cast. Unless otherwise instructed, the proxy will vote, or abstain, as he/she thinks fit.)

No.	Item	For	Against
1.	To adopt the Report of the Directors, and the Accounts		
2.	To declare a final dividend		
3.	To re-elect Sir James McNeill as a director		
4.	To re-elect Mr. G. M. Niall as a director		
5.	To re-elect Mr. L. M. Papps as a director		
6.	To re-elect Mr. W. J. Bailey as a director		
7.	To re-elect Mr. R. A. D. Nicolson as a director		
8.	To re-elect Mr. A. J. O. Ritchie as a director		
9.	To capitalise part of the Company's Asset Revaluation Reserve in terms of Item 5(i), under Special Business, in the Notice of Meeting.		
10.	To increase the authorised capital in terms of Item 5(ii), under Special Business, in the Notice of Meeting.		
11.	To approve the establishment of the ANZ Bank Dividend Reinvestment Plan in terms of Item 6, under Special Business, in the Notice of Meeting.		
12.	To approve the alteration to the Articles of Association of the Company (Article 126) in terms of Item 7, under Special Business, in the Notice of Meeting.		

Dated this ..... day of ..... 19 .....

Signature of Member .....

(Refer Notes (f), (g) and (h))

### Notes:

- (a) 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.
- (b) A proxy need not be a member of the Company.
- (c) A member, should he/she so desire, may appoint the Chairman of the Meeting as his/her proxy.
- (d) Where more than one proxy is appointed, each proxy must be appointed on a separate form to represent a specific proportion of the member's voting rights. If required, an additional proxy form will be supplied by the Company on request.
- (e) To be valid, this form of proxy must be lodged at the Transfer Office of the Company at 13th Floor, 55 Collins Street, Melbourne, Victoria 3000 not less than 48 hours before the meeting.
- (f) In the case of a corporation this form of proxy shall be either given under its common seal or signed on its behalf by an attorney or duly authorised officer of the corporation.
- (g) If this form of proxy is executed under power of attorney which has not been noted by the Company, the instrument must accompany the form of proxy.
- (h) In the case of joint holders, the signature of the senior shall be accepted to the exclusion of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members in respect of the joint holding. Nevertheless, the names of all joint holders should be shown.



