

Financial & Statutory Reports

1987

Australia and New Zealand Banking Group Limited



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Statutory Directors' Report

The following information is provided in conformity with Section 270 of the Companies (Victoria) Code.

Directors

The Board includes two directors with executive responsibilities within ANZ Group who have extensive banking experience. The twelve non-executive directors have a diversity of community and business experience.

Set out on pages 2 and 3 of the Annual Report are statements which provide particulars of the qualifications, broad experience and special responsibilities of each director.

Activities

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

At 30 September, 1987 the Company and its subsidiaries had 1,690 points of representation, as set out on pages 28 to 31 of the Annual Report.

Profit

Consolidated operating profit after tax for the year excluding extraordinary items was \$385.153 million. Consolidated operating profit after tax and extraordinary items was \$399.003 million. More details are contained in the chairman's report on pages 8 to 11 of the Annual Report.

Dividends

The directors propose payment of a fully franked final dividend of 11 cents per share, amounting to \$76.994 million to be paid on 28 January, 1988 and this will be recommended at the annual general meeting.

Since the end of the previous year a final dividend of 16 cents per share amounting to \$72.100 million was paid on 29 January, 1987 and an interim dividend of 10 cents per share amounting to \$52,223 million was paid on 29 June 1987.

The final dividend paid on 29 January 1987 was detailed in the directors' report dated 1 December 1986. Neither the interim dividend paid on 1 June 1987 nor the current dividend recommendation have been mentioned in previous directors' reports.

Review of Operations

A review of the operations of the Group during the financial year and the results of those operations is contained in the chairman's report and the chief executive's report on pages 8 to 25 of the Annual Report.

State of Affairs

There was no significant change in the state of affairs of the Group that occurred during the financial year not otherwise disclosed in the chairman's report, the chief executive's report or in the Group accounts.

Events Since The End of the Financial Year

No item, transaction or event of a material and unusual nature has arisen since 30 September 1987 and the date of

this report that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years. In the light of downturn in the stock markets of the world since 30 September 1987 all exposures to major customers have been reviewed and directors are confident that adequate provisions are held.

Future Developments

Likely developments in the operations of the Group in subsequent financial years are contained in the chairman's report, and the chief executive's report on pages 8 to 25 of the Annual Report.

In the opinion of the directors disclosure of any further information would be prejudicial to the Group's interests.

Shareholdings

The directors' shareholding interests, beneficial and non-beneficial, in the share capital of the Company are detailed on page 33.

The directors are not aware of any single beneficial interest of ten per cent or more in the share capital of the Company.

Directors' Interests in Contracts

Since 1 January, 1984 no director has declared any interest in a contract or proposed contract with the Company in accordance with Section 228(1) of the Companies (Victoria) Code. The following Directors have declared pursuant to Section 228(4) of the Code that they are to be regarded as interested in any contract that may be made with the Company by virtue of their directorships or memberships of the companies and organisations listed:—

Sir William Vines

Australia and New Zealand Banking Group Limited (Group)
Dalgety Australia Holdings Limited (Group)
Dalgety Farmers Limited
Vines Holdings Pty. Limited

Mr. W. J. Bailey

Australia and New Zealand Banking Group Limited (Group)
Dalgety Farmers Limited
Enterprise Australia Limited
The Australian Opera

Mr. M. D. Bridgland

Australia and New Zealand Banking Group Limited (Group)
Freeport MacMoran Australia Limited
ICI Australia Limited
Jennings Industries Limited (Group)

Sir Roderick Carnegie

Australia and New Zealand Banking Group Limited (Group)
Cats & Co. Pty. Ltd. (Group)
Commonwealth Scientific & Industrial Research Organisation
Hudson Conway Limited (Group)
Kildrummie Pastoral Company Pty. Ltd.
Kildrummie Pty. Ltd.
R. H. Carnegie & Co. Pty. Ltd.
Tallyspin Limited

Statutory Directors' Report

Mr. J. C. Dahlsen

Australia and New Zealand Banking Group Limited (Group)
Bell Resources Limited Group
Dahlsen Properties Pty. Limited
J. C. Dahlsen (Acceptance) Pty. Limited
J. C. Dahlsen Pty. Limited (Group)
J. C. Dahlsen (Investment) Pty. Limited
Johndahl Nominees Pty. Ltd.
KTD (Nominees) Pty. Limited
Maleela Holdings Pty. Ltd.
Melbourne Business School Limited
Nuco Pty. Ltd.
Overseas Strategic Investment Corporation Limited
Retail Shopping International (Australia) Pty. Ltd.
Sandridge City Development Company Pty. Ltd.
The Byvest Management Buyout Group
The Devilbend Quarry Trust Fund
The J. C. Dahlsen Property Trust
The J. C. Dahlsen Trust Fund
The Keith Dahlsen Family Trust Fund
The Myer Investment Pty. Ltd. (Group)
The Twenty-Fourth Tribute Pty. Ltd.
Tricom Corporation Limited

Mr. D. C. L. Gibbs

Abberley Pty. Ltd.
Australia and New Zealand Banking Group Limited (Group)
Bobri Pty. Ltd.
C. T. Bowring Reinsurance Australia Pty. Ltd.
Djefah Pty. Ltd.
Folkestone Ltd. (Group)
Hollstone Properties Pty. Ltd.
Jewels Pty. Ltd.
John Swire & Sons Pty. Ltd.
Longford Shopping Centre Pty. Ltd.
Marsh & McLennan Pty. Ltd. (Group)
Parbury Henty Holdings Ltd. (Group)
Ramshead Pty. Ltd.
Redfurn Pty. Ltd.
Toolang Pty. Ltd.
Victoria State Opera Co. Ltd.

Mr. J. B. Gough

Australia and New Zealand Banking Group Limited (Group)
Ampcor Limited
BHP Gold Mines Ltd.
The Broken Hill Proprietary Co. Ltd.
ICI Australia Limited
Pacific Dunlop Limited
The University of Melbourne Graduate School of Management
Walter and Eliza Hall Institute of Medical Research

Mr. C. J. Harper

Australia and New Zealand Banking Group Limited (Group)
Humes Limited
Hyster Australia Pty. Ltd.
IBM Australia Limited
Legal and General Assurance Holdings (Australia) Limited (Group)
North Broken Hill Holdings Limited (Group)
R. E. Ross Nominees Pty. Limited (Group)
Vickers Holdings Limited (Group)
Wiggins Teape Pty. Ltd.

Mr. W. J. Holcroft

Australia and New Zealand Banking Group Limited (Group)
Brick and Stone Holdings Limited
Caltex Australia Limited
Gelnethy Pty. Ltd.
Gelnethy Pastoral Company
Morrow Australia Limited
The Australian Wildlife Fund Limited
Western Granites Limited
The Commonwealth Industrial Gases Limited

Professor Dame Leonie Kramer

Australia and New Zealand Banking Group Limited (Group)
Educational Standards Pty. Ltd.
Western Mining Corporation Holdings Limited (Group)

Sir Laurence Muir

ACI International Limited (Group)
ACI Superannuation Fund Pty. Ltd.
Alcoa of Australia Limited
Alcoa Superannuation Fund Pty. Ltd.
Australia and New Zealand Banking Group Limited (Group)
Elder Austral Chartering Pty. Ltd.
General Motors Australia Advisory Council
Gold Holdings of Australia Ltd.
Hudson Conway Limited
L'Air Liquide World Advisory Council
Liquid Air Australia Limited
National Commercial Union Limited
Parliament House Construction Authority
Templeton Global Growth Fund Ltd.
University Paton Ltd.
Wormald International Limited

Mr. R. A. D. Nicolson

Australia and New Zealand Banking Group Limited (Group)

Mr. L. M. Papps

Answer Services Holdings Limited
Australia and New Zealand Banking Group Limited (Group)
Asea Electric (NZ) Limited
Asea Tolley Electric Company Limited
Atlas Copco (NZ) Limited
Bell Gully Buddle Weir
Bonds (NZ) Limited
Ciba-Geigy New Zealand Limited
Codelfa-Cogefax (NZ) Limited
Codelfa Construction Limited
Commercial Union General Insurance Co. Limited
Crown Corporation Limited
Emco Group Limited
Lentheric Morny Cyclax Limited
Meadowsfreight New Zealand Limited
NZ Forest Products Limited
N.Z. Window Glass Limited
P. C. Henderson (NZ) Limited
Pilkington Bros. (NZ) Ltd.
RADA Corporation Ltd.
S.K.F. New Zealand Limited
Standard Optical Company of Australasia Limited
Steel and Tube Holdings Limited
UEB Industries Limited

Statutory Directors' Report

Dr. B. W. Scott

ACI International Limited (Group)
Australia and New Zealand Banking Group Limited
(Group)
Imagincering Technology Ltd.
James N. Kirby Foundation Limited
Jon & Associates Pty. Ltd. (Group)
Liquid Air Australia Limited
Management Frontiers Pty. Ltd.
Television Makers Pty. Ltd.
Trade Development Council
W. D. Scott International Development Consultants
Pty. Ltd.

Share Options

During the financial year the company granted 33,000,000 options to purchase ordinary shares of \$1 each in the Company. 16,500,000 options were granted to subscribers to \$A Notes issued in terms of a prospectus dated 29 July 1987 and 16,500,000 options were granted to investors in the Euro Market at a price of \$32 for each 44 options.

The date of expiration of the options is 5 August 1992 and the options may be exercised by the holder by subscribing \$4.71 per ordinary share.

Any person entitled to exercise the option has no right, by virtue of the option, to participate in any share issue of any other corporation.

There have been no shares issued during the financial year or since the end of the financial year by virtue of the exercise of an option.

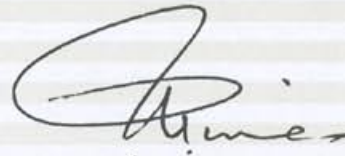
Directors' Benefits

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 legal fees have been paid to Corrs Pavey Whiting & Byrne of which Mr J. C. Dahlsen is a consultant, and to Bell Gully Buddle Weir, in which Mr L. M. Papps is a partner, insurance business has been placed through Marsh & McLennan Pty. Limited, of which Mr D. C. L. Gibbs is a director, and management service fees have been paid to Jon & Associates Pty. Ltd. and Management Frontiers Pty. Ltd. of which companies Dr B. W. Scott 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 Group Senior Officers' Share Purchase Scheme.

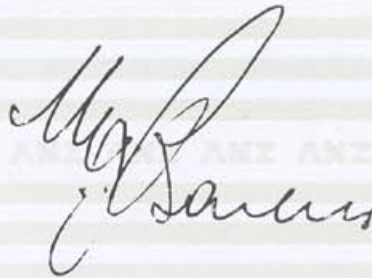
Accounts

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.

Signed at Melbourne for and on behalf of the board of directors in accordance with a resolution of the directors this 30th day of November, 1987.



Chairman



Group Managing Director

Profit and loss statement for the year ended 30 September 1987

Holding Company			Note	Consolidated	
1986	1987			1987	1986
\$'000	\$'000			\$'000	\$'000
3,577,991	4,431,528	Gross income	2	8,083,546	6,707,822
2,680,504	3,075,291	Interest received	2	6,437,000	5,600,723
2,149,158	2,351,645	Less: interest paid	2	4,818,502	4,264,396
531,346	723,646	Net interest income		1,618,498	1,336,327
897,487	1,356,237	Other operating income	2	1,646,546	1,107,099
1,428,833	2,079,883	Net interest and other operating income		3,265,044	2,443,426
1,095,583	1,256,485	Less: Operating costs excluding debt provisions	2	1,967,243	1,666,351
333,250	823,398	Operating profit before tax and debt provisions		1,297,801	777,075
81,402	249,179	Less: Bad debts, provisions and recoveries (net)	9	332,046	196,663
251,848	574,219	Operating profit before income tax	2	965,755	580,412
70,922	348,143	Income tax expense attributable to operating profit	4	579,442	245,944
180,926	226,076	Operating profit after income tax		386,313	334,468
—	—	Minority interests in operating profit after income tax		1,160	19,046
180,926	226,076	Operating profit after income tax and minorities		385,153	315,422
43,781	(25,860)	Profit (loss) on extraordinary items before income tax	3	11,588	(151,451)
—	4,418	Income tax credit attributable to profit or loss on extraordinary items		2,262	—
—	—	Minority interests in extraordinary items after income tax		—	791
43,781	(21,442)	Profit (loss) on extraordinary items after income tax	3	13,850	(150,660)
224,707	204,634	Operating profit and extraordinary items after income tax applicable to members of the Holding Company		399,003	164,762
130,306	159,154	Retained profits at the beginning of the financial year		353,555	427,706
355,013	363,788	Total available for appropriation		752,558	592,468
133,088	129,217	Dividends provided for or paid	27	129,217	133,088
62,771	80,000	Aggregate of amounts transferred to reserves	7	74,064	105,825
159,154	154,571	Retained profits at the end of the financial year		549,277	353,555

The notes appearing on pages 7-27 are an integral part of these accounts

Balance Sheet as at 30 September 1987

Holding Company		Note	Consolidated	
1986 \$'000	1987 \$'000		1987 \$'000	1986 \$'000
Liquid Assets				
286,298	253,855		356,791	390,675
84,300	87,600		103,883	146,528
778,464	600,364		1,905,629	1,973,473
137,526	384,206		879,306	462,226
4,234,108	3,273,045		5,158,903	5,807,324
2,344,899	3,001,718	18	7,376,316	5,986,219
Regulatory deposits with central and other banks				
759,509	775,905		775,905	759,509
4,785	12,687		326,229	233,775
Customers' accounts, etc.				
13,938,192	14,986,697	9 & 11	33,050,739	30,660,714
6,192,886	9,591,991		10,896,081	7,278,697
1,593,987	1,646,215	19 & 30	—	—
1,882,400	1,588,279		—	—
7,809	28,269	20 & 30	61,538	64,134
327,703	342,080	13 & 15	1,379,740	1,222,563
641,194	1,228,851	12 & 21	3,038,963	1,644,766
33,214,060	37,801,762		65,310,023	56,630,603

Balance Sheet as at 30 September 1987

Holding Company				Consolidated	
1986	1987		Note	1987	1986
\$'000	\$'000			\$'000	\$'000
		Customers' accounts, etc.			
1,048,118	1,151,413	Long term bond and bearer note issues		1,570,067	1,370,108
14,121,422	15,094,566	Deposits		34,191,429	31,172,259
—	—	Borrowings by borrowing corporation subsidiaries		3,939,068	3,811,026
6,192,886	9,591,991	Bank and other acceptances of customers (see contra)		10,896,081	7,278,697
5,989,494	5,635,830	Due to other banks		6,858,824	7,633,358
786,567	982,897	Bills payable and other liabilities		3,151,856	1,899,512
2,664,588	2,018,832	Amounts due to subsidiary companies		—	—
		Provisions			
72,100	76,994	Proposed dividend		76,994	72,100
48,691	83,648	Provision for income tax		243,113	133,427
217,927	495,390	Other provisions	10	822,856	524,612
31,141,793	35,131,561	TOTAL LIABILITIES		61,750,288	53,895,099
2,072,267	2,670,201	NET ASSETS		3,559,735	2,735,504
		Shareholders' funds			
449,830	700,437	Issued and paid-up capital	6	700,437	449,830
1,463,283	1,398,584	Reserves	7	1,888,926	1,927,697
159,154	154,571	Retained profits		549,277	353,555
2,072,267	2,253,592	Share capital and reserves applicable to shareholders of Australia and New Zealand Banking Group Limited		3,138,640	2,731,082
—	—	Minority shareholders' interest in subsidiary companies		4,486	4,422
2,072,267	2,253,592	TOTAL SHAREHOLDERS' FUNDS AND MINORITIES		3,143,126	2,735,504
—	416,609	Subordinated perpetual capital notes	8	416,609	—
2,072,267	2,670,201	TOTAL SHAREHOLDERS' FUNDS AND SUBORDINATED PERPETUAL CAPITAL NOTES		3,559,735	2,735,504

The notes appearing on pages 7-27 are an integral part of these accounts
Contingent liabilities are detailed at Note 22

Notes to the Accounts

1 Bases of Accounting These financial statements have been prepared in accordance with historical cost concepts except where otherwise indicated. The accounts comply with Australian accounting standards and approved accounting standards and with the new Schedule 7 so far as they are applicable to a banking group.

(a) Principles of consolidation The Group consolidation comprises the accounts of the holding company and all subsidiary companies in which the Group holds more than half of the issued ordinary share capital as defined by Schedule 7 of the Companies (Victoria) code. A listing of these subsidiaries is contained in note 30. All inter-company balances and transactions have been eliminated.

Also included within the Group's consolidated accounts are the financial statements of the shareholders' interest in Greater Pacific Life Assurance Co. Ltd. (GPL) and the shareholders' proportion of the declared profits of GPL's statutory life funds, and the net movement in the present value of future surpluses actuarially assessed to emerge from these funds after having full regard to the entitlements of policyholders. Such net movement of \$18.930 million (1986 \$8.677 million) which has been credited to general reserve within the consolidated accounts is not fully available for distribution due to the requirements and restrictions of the Life Insurance Act and statutory accounting practices. The assets of these statutory funds, being subject to the provisions of the Life Insurance Act 1945 do not form part of the assets to which shareholders are entitled and therefore are excluded from consolidation.

Shares in subsidiary companies are valued on acquisition at the Group's interest in the fair market value of the net assets of the subsidiary company at the date of acquisition; any difference between the fair value of net assets and cost is written off through the profit and loss statement as an extraordinary item in the year of acquisition, together with, in the consolidated profit and loss statement, the equivalent amount being attributable to goodwill on consolidation.

This policy has been applied in the current year consistently with treatment of such items in past years. Banks are subject to central bank prudential ratio requirements, in particular the ratio of shareholders' funds to assets, which do not allow goodwill to be carried as an asset for capital adequacy purposes. Accordingly, the directors consider it prudent and appropriate for a banking group not to carry as an asset any value attributable to goodwill. This policy in respect of goodwill on consolidation is a departure from the Australian accounting standard on goodwill which does not address specifically issues germane to particular industries, including banking.

Goodwill written off in the year to 30 September 1987 includes goodwill on acquisition of McCaughan Dyson & Co Ltd Group.

The consolidated results include profits of McCaughan Dyson & Co Ltd Group since 1 July 1987.

(b) Translation of overseas currency Profits and losses of overseas branches and subsidiaries have been translated at average exchange rates for the year while assets and liabilities of overseas branches and subsidiaries have been translated at the rates of exchange ruling at balance date. The net translation difference arising from the conversion of overseas branch capital positions and investment in overseas subsidiaries, after allowing for those positions covered by foreign exchange hedge contracts and related currency borrowings, has been dealt with by transfer to foreign currency translation reserve (Refer note 7).

Overseas branches and subsidiaries engaged in banking operations have loans and deposits and borrowings in currencies of the centres where they operate and in other major currencies. The Holding Company also has loans and deposits and borrowings in Australia in currencies other than Australian dollars. It is the Group's policy generally to maintain a matched position in foreign currencies and as a consequence there are no material foreign currency exposures.

Certain disclosure requirements of the Australian Accounting Standard AAS20 "Foreign Currency Translation" have not been made on the basis they are inapplicable to a banking group.

(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 of discounts and premiums on dated investments Premiums and discounts on dated investments are amortised from the date of purchase to maturity on a straight line basis.

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 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.

During the 1987 year, a portion of the exposure to debt rescheduling countries in the books of ANZ Holdings (UK) plc group was transferred at book value to the Holding Company. In addition the Holding Company has given an undertaking to ANZ Holdings (UK) plc that it will acquire the remaining exposure for a price equivalent to the book value at 30 September 1987.

Additional general provision cover for exposure to debt rescheduling countries, has been provided in the books of the Holding Company this year, having regard to action taken by major banks and provision guidelines recently issued by the Bank of England. The Group aggregate of general and specific provisions held against borrowers in rescheduling countries accounts for 27 per cent of the relevant exposure, (31 per cent on a future tax benefit basis.)

(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 procedures are applied under the liability method. General provisions for doubtful debts are treated as permanent differences.

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) Superannuation commitments The Group has a number of pension funds established which provide either defined or accumulated 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 variable rates while Group contributions in respect of the defined benefits funds are made at levels necessary to ensure that these funds are maintained with sufficient assets to meet their liabilities and in respect of the accumulation funds are at fixed rates. The rate of Group contributions is determined by actuarial valuations which are carried out at regular intervals not exceeding three years. Any deficiencies arising from the actuarial valuations have been provided for in the Group accounts. The assets of the funds are not included in these accounts. (Refer note 25 for greater detail.)

During the year 99.1% of members of the Group's main defined benefit pension fund in Australia, ANZ Group (Australia) Staff Pension Scheme (old fund) took advantage of an option to transfer, with effect from 1 April 1987, to a new accumulation fund ANZ Australia Staff Superannuation Scheme (new fund).

Assets equivalent in value to the aggregate sum of transfer benefits as at 1 April 1987 under the new scheme advised to members have been transferred from the old fund, pursuant to an independent actuarial assessment carried out by Mr. C. W. White, FIA, FIAA of Towers Perrin Forster & Crosby, actuaries and management consultants.

Under the terms of the trust deed of the old fund, the Holding Company may elect to have transferred across to it any surplus remaining in the old fund, after an independent actuarial assessment of the value of the assets required to remain in the old fund to meet the defined benefits of the remaining members. Such independent actuarial assessment has been carried out by Mr. C. W. White and a surplus of which the Holding Company has elected to take back \$310 million has resulted. This has been taken account of in 1987 as an abnormal item of profit representing a reimbursement of past contributions by the Holding Company and implied earnings in those contributions that are now in excess of those required to meet the benefits of the members.

(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 an 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) Trust Activities The holding company and some of its subsidiaries act as trustee and/or manager for a number of investment funds and trusts including retirement funds, mortgage funds, approved deposit funds, and equity and property unit trusts. The value of funds under management exceed \$10 billion. The assets of these funds and trusts are not included in the accounts. Where the Holding Company or the subsidiaries as trustee incur liabilities in respect of these operations a right of indemnity exists against the assets of the applicable funds or trusts and as these assets are sufficient to cover liabilities, the liabilities are not included in the accounts. Commissions and fees earned in respect of the Group's trust activities are included in profit.

(l) Off-Balance Sheet Instruments As outlined in note 23, the Group manages a significant portfolio of off-balance sheet instruments. The accounting policies adopted for these transactions reflect the economic substance and intention of each transaction. Accordingly, gains and losses on transactions designated as hedges of balance sheet items are matched with the recognition of gains and losses on the underlying assets or liabilities. Gains and losses on trading transactions are brought to account after due allowance for any unrealised profit or loss based on a revaluation of any open positions at the current market rates prevailing at balance date.

(m) 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 corporations as defined by the Companies (Victoria) Code. For the Group accounts the banking operations of ANZ Banking Group (New Zealand) Limited, ANZ Finance (Far East) Limited, Australia and New Zealand Banking Group (PNG) Limited, Australia and New Zealand Banking Group (Channel Islands) Limited, ANZ Bank Canada and Grindlays Bank plc have been included as banking corporations.

	Consolidated		Holding Company	
	1987 \$'000	1986 \$'000	1987 \$'000	1986 \$'000
2 Operating Profit				
Operating profit before income tax was determined after inclusion of:				
Income				
(a) Interest received or receivable from:				
(i) Subsidiaries	—	—	68,111	100,331
(ii) Other persons	6,437,000	5,600,723	3,007,180	2,580,173
(b) Dividends received or receivable from:				
(i) Subsidiary companies	—	—	77,973	50,908
(ii) Other companies	29,447	32,149	6,729	16,004
(c) Other income	1,617,099	1,074,950	1,271,535	830,575
Total income	8,083,546	6,707,822	4,431,528	3,577,991
Expenses				
(a) Depreciation and amortisation of fixed assets	123,055	111,514	83,573	78,981
(b) Auditors' remuneration in respect of auditing the accounts or Group accounts				
— auditors of holding company	3,048	2,712	641	575
— other auditors	963	1,515	—	—
other services				
— auditors of holding company	1,154	1,436	512	1,048
— other auditors	3,382	1,939	1,310	642
The auditors did not receive any other benefits				
(c) Provision for employee entitlements	3,123	12,921	1,010	12,784
Provisions for doubtful debts (see note 9 and abnormal items comment below)	332,046	196,663	249,179	81,402
Provision for non-lending losses	24,116	2,960	11,121	2,298
Provisions — other	10,756	3,349	338	232
(d) Interest paid or payable to:				
(i) Subsidiaries	—	—	139,102	142,748
(ii) Other persons	4,818,502	4,264,396	2,212,543	2,006,410
(e) Rental expense in respect of operating leases	84,267	83,099	58,192	57,999
Abnormal Items				
Credit – Surplus from ANZ Group (Australia) Staff Pension Scheme (see note 1(h)) —				
– before tax	310,000	—	310,000	—
– after tax	158,000	—	158,000	—
Debit – Amount transferred to general provision for doubtful debts	158,000	—	158,000	—
This amount is not tax effected (see note 1(e))				

3 Extraordinary Items

(No income tax applicable except where shown)

Write-off of goodwill arising from acquisition of subsidiaries	(18,141)	(131,123)	(17,420)	—
Profit arising from restructure of Group companies	—	—	—	62,772
Benefit (loss) on restatement of deferred tax balances for change in tax rate, net of \$4,418 income tax credit (holding company and consolidated)	(6,253)	(10,036)	(6,575)	1,805
Tax assessed in dispute with Australian Tax Office	—	(17,298)	—	(17,298)
Surplus on sale of properties	3,515	7,006	382	(3,498)
Profit on sale of shares in subsidiary, associated and other companies net of \$6,806 income tax (holding company and consolidated)	40,323	—	2,171	—
Other, net of \$4,650 income tax credit	(5,594)	—	—	—
	13,850	(151,451)	(21,442)	43,781

	Consolidated		Holding Company	
	1987 \$'000	1986 \$'000	1987 \$'000	1986 \$'000
Reconciliation of income tax expense charged in the accounts with prima facie tax payable on the pre-tax accounting profit.				
Operating profit before income tax	965,755	580,412	574,219	251,848
Prima facie income tax at 49% (1986 46%)	473,220	266,990	281,367	115,850
Add (or deduct) tax effect of permanent differences:				
Non-allowable depreciation and amortisation	2,675	2,314	1,220	1,122
Charge for general provision for doubtful debts	101,925	14,501	91,959	2,478
Under (over) provision of prior year	9,557	(1,569)	8,261	(1,927)
Adjustment for overseas tax (net)	28	(729)	(8,023)	(7,852)
Tax free dividend income	(17,469)	(14,789)	(41,504)	(30,780)
Investment allowance	(1,386)	(5,928)	(1,306)	(5,750)
Fringe benefits tax	7,445	—	6,031	—
Other items (net)	3,447	(14,846)	10,138	(2,219)
Income tax expense	579,442	245,944	348,143	70,922
Current income tax expense	314,771	—	74,206	—
Deferred income tax expense	264,671	—	273,937	—
	579,442	245,944	348,143	70,922

5 Report by Segments

The following statements report the segment results before minority interests by geographical and industry segment.

The geographical segments are based on the Group's regional administrative centres, and assets, liabilities and profits included in these segments are based on the office of domicile. The asset segmentation therefore does not indicate country of risk.

Geographical	1987			1986		
	Gross Income \$'000	Tax \$'000	Total Assets \$'000	Gross Income \$'000	Tax \$'000	Total Assets \$'000
Australia	4,167,083	543,326	37,894,045	3,680,350	356,714	31,790,142
New Zealand	1,025,777	150,025	7,028,861	732,725	132,346	4,599,236
UK, Europe, Middle East						
Asia and Africa	1,565,199	73,985	13,189,929	1,460,317	50,539	13,167,004
North America	358,903	5,519	3,378,219	374,064	22,720	3,634,148
South East Asia, Japan and Republic of Korea, Hong Kong and Pacific Islands	656,584	40,900	3,818,969	460,366	18,093	3,440,073
Abnormal credit item	310,000	152,000	—	—	—	—
	8,083,546	965,755	65,310,023	6,707,822	580,412	56,630,603
Industry						
General Banking	5,600,294	531,470	50,102,306	4,836,852	333,265	43,773,026
Savings Banking	761,081	92,727	5,757,675	567,757	78,262	4,839,559
Merchant Banking	224,131	14,924	1,641,186	185,806	4,947	1,600,398
Finance Companies	955,823	132,153	5,112,392	819,127	102,567	5,132,155
Life Insurance	20,766	18,829	79,060	9,525	8,952	58,972
Other	211,451	23,652	2,617,404	288,755	52,419	1,226,493
Abnormal credit item	310,000	152,000	—	—	—	—
	8,083,546	965,755	65,310,023	6,707,822	580,412	56,630,603

Exposure to countries subject to debt rescheduling arrangements

Group exposure including trade finance and interbank lending to countries subject to debt rescheduling arrangements are as under.

The amounts quoted are \$A conversions of predominantly US\$ denominated assets, and represent a total exposure of 2.3 per cent of total Group assets at 30.9.87 compared to 3.0 per cent at 30.9.86.

Of the total exposure over 90 per cent relates to lending to Governments, banks and Government entities, and no individual country exposure exceeds one per cent of Group assets. Where considered appropriate, provisions have been set aside against this exposure and the Group aggregate of general and specific provisions is equal to 27 per cent of the total exposure.

	Consolidated		Holding Company	
	1987 \$'000	1986 \$'000	1987 \$'000	1986 \$'000
South and Central America	1,214,000	1,365,000	894,000	340,000
Eastern European Bloc	126,000	150,000	52,000	59,000
Africa and Middle East	117,000	128,000	25,000	34,000
Asia	61,000	56,000	16,000	25,000
	1,518,000	1,699,000	987,000	458,000
USD Equivalents	1,096,000	1,098,000	713,000	287,000

Holding Company	
1987	1986
\$'000	\$'000

6 Share Capital

Authorised Capital		
1,000,000,000 (1986 600,000,000) ordinary shares of \$1 each	1,000,000	600,000
An increase in the authorised capital of 400,000,000 shares of \$1 each was approved at an Extraordinary General Meeting of shareholders on 26 May 1987. The increase was to allow for the one for two bonus issue in June 1987 and to provide a margin for future capital needs.		
Issued and Paid Up Capital		
699,948,024 (1986 449,460,132) ordinary shares of \$1 each fully paid	699,948	449,460
4,896,000 (1986 3,700,800) ordinary shares of \$1 each paid to 10 cents per share	489	370
	700,437	449,830

During the year the Holding Company issued ordinary shares of \$1.00 as follows:

Senior officers share purchase scheme:

433,000 ordinary shares paid to ten cents at \$5.42 per share
 1,029,000 ordinary shares paid to ten cents at \$5.36 per share
 1,280,500 ordinary shares fully paid at \$5.36 per share

Employee share purchase scheme:

309,834 ordinary shares fully paid at \$4.34 per share
 4,271,352 ordinary shares fully paid at \$4.29 per share

Dividend reinvestment plan:

3,778,054 ordinary shares fully paid at \$5.61 per share
 3,766,265 ordinary shares fully paid at \$3.91 per share

Bonus issues:

229,886,481 ordinary shares fully paid under one for two bonus issue
 4,145,908 ordinary shares fully paid in lieu of interim dividend

Other:

2,112,922 ordinary shares fully paid issued in exchange for shares in ANZ Banking Group (New Zealand) Ltd.
 669,776 ordinary shares fully paid at \$4.32 per share

During the year the Holding Company issued options to purchase ordinary shares of \$1 each in the Company as follows:

16,500,000 granted to subscribers to an issue of \$A notes on the euro market.

16,500,000 sold to investors in the euro market at a price of \$32 for each 44 options.

The date of expiration of the options is 5 August 1992 and the options may be exercised by the holder by subscribing \$4.71 per ordinary share.

7 Reserve Funds

Consolidated
\$'000

	Share Premium Reserve	Asset Revaluation Reserve	Foreign Currency Translation Reserve	General Reserve	Capital Reserves	Total Reserves
Balance at 30 September 1985	233,655	311,206	102,833	717,849	31,225	1,396,768
Adjustment for exchange rate fluctuations	—	3,625	—	(10,224)	(1,452)	(8,051)
Transfers (to) from profit and loss account	—	—	—	105,136	689	105,825
Premium on issue of shares	336,218	—	—	—	—	336,218
Revaluation of properties	—	21,424	—	—	—	21,424
Currency translation adjustments	—	—	74,994	—	—	74,994
Other	—	(651)	—	(29)	(1,199)	519
Balance at 30 September 1986	569,873	335,604	177,827	812,732	31,661	1,927,697
Transfers (to) from profit and loss account	—	6,240	(1,514)	48,991	20,347	74,064
Premium on issue of shares	59,063	—	—	—	—	59,063
Revaluation of properties	—	45,480	—	—	—	45,480
Capitalisation issue	—	(234,032)	—	—	—	(234,032)
Currency translation adjustments	—	—	(2,682)	—	—	(2,682)
Issue of share options	—	—	—	—	20,653	20,653
Other	—	(868)	—	82	(531)	(1,317)
Balance at 30 September 1987	628,936	152,424	173,631	861,805	72,130	1,888,926

7 Reserve Funds continued

	Holding Company \$'000					
	Share Premium Reserve	Asset Revaluation Reserve	Foreign Currency Translation Reserve	General Reserve	Capital Reserve	Total Reserves
Balance at 30 September 1985	233,655	260,922	101,197	396,482	—	992,256
Premium on issue of shares	336,218	—	—	—	—	336,218
Transfer (to) from profit and loss account	—	—	—	62,771	—	62,771
Currency translation adjustments	—	—	72,038	—	—	72,038
Balance at 30 September 1986	569,873	260,922	173,235	459,253	—	1,463,283
Premium on issue of shares	59,063	—	—	—	—	59,063
Transfer (to) from profit and loss account	—	—	—	80,000	—	80,000
Capitalisation issue	—	(234,032)	—	—	—	(234,032)
Currency translation adjustments	—	—	9,617	—	—	9,617
Issue of share options	—	—	—	—	20,653	20,653
Balance at 30 September 1987	628,936	26,890	182,852	539,253	20,653	1,398,584

8 Subordinated Perpetual Capital Notes

A perpetual capital note issue of US\$300,000,000 was made by the Holding Company on 30 October 1986. These notes are subordinated in right of payment to the claims of depositors and all other creditors of the Holding Company and are regarded as forming part of the capital base for prudential supervision purposes. A substantial portion of the US\$ funds has been swapped into \$A.

9 Provisions for Doubtful Debts

	Consolidated \$'000				Holding Company \$'000			
	Specific Provision		General Provision		Specific Provision		General Provision	
	1987	1986	1987	1986	1987	1986	1987	1986
Balance at 30 September 1986	517,958	317,887	293,388	301,343	91,659	52,750	140,624	127,390
Adjustment for exchange rate fluctuations	(21,701)	52,225	(13,809)	31,034	(808)	1,099	(5,046)	6,329
Bad debts written off	(198,486)	(99,913)	—	—	(66,902)	(41,797)	—	—
Recoveries	16,338	12,179	—	—	6,807	3,792	—	—
Charge to profit and loss account	124,036	165,139	208,010†	31,524	61,507	76,015	187,672†	5,387
Provisions at acquisition/ disposal date of companies acquired/disposed	—	—	(1,702)	39	—	—	—	—
Transfer between Provisions	(1,475)	70,441	1,475	(70,552)	1,187	—	(1,187)	1,085
Transfer within Group	—	—	—	—	11,080	(200)	45,205	433
Balance at 30 September 1987	436,670	517,958	487,362	293,388	104,530	91,659	367,268	140,624

† Includes abnormal charge of \$158,000

10 Other Provisions

	Consolidated		Holding Company	
	1987 \$'000	1986 \$'000	1987 \$'000	1986 \$'000
Provision for employee entitlements	144,325	161,921	116,484	114,935
Provision for deferred income tax	614,236	324,245	353,322	88,911
Provision for non-lending losses	41,563	17,262	21,745	10,630
Provisions — other	22,732	21,184	3,839	3,451
	822,856	524,612	495,390	217,927

11 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	35,749,203	33,120,256	15,851,706	14,536,389
Less: Provisions for doubtful debts (see note 9)	924,032	811,346	471,798	232,283
Provision for contingencies	5,705	5,885	—	—
Income yet to mature	1,768,727	1,642,311	393,211	365,914
Net loans, advances, bills discounted and outstandings under hire purchase and other agreements	33,050,739	30,660,714	14,986,697	13,938,192

	Consolidated		Holding Company	
	1987 £'000	1986 £'000	1987 £'000	1986 £'000
12 Development Ventures (included in all other assets)				
Development ventures comprise:				
(i) Land held for development				
— acquisitions at cost	32,481	29,632		
— acquisitions at independent valuation	—	235		
— acquisitions at directors' September 1986 valuation	—	5,750		
— development expenses capitalised	10,248	10,065		
— other amounts capitalised	111	260		
	<u>42,840</u>	<u>45,942</u>		
<i>less: liabilities</i>				
— unsecured (including provision for expenditure on sold land)				
— payable within 12 months	4,368	992		
— payable beyond 12 months	1,919	—		
	<u>36,553</u>	<u>44,950</u>		
<i>add: debtors</i>	1,820	2,118		
	<u>38,373</u>	<u>47,068</u>		
<i>less:</i>				
— provision for diminution in value of ventures	4,113	8,837		
— provision for future development costs	—	20		
	<u>34,260</u>	<u>38,211</u>		
(ii) Loans to real estate projects, secured on real estate				
— loans to associated development companies	746	1,707		
— loans to others	34,905	27,414		
<i>less:</i>				
— creditors payable within 12 months	566	—		
— provision for diminution in value	600	—		
	<u>34,485</u>	<u>29,121</u>		
	<u>68,745</u>	<u>67,332</u>		

13 Premises and Equipment

(a) Freehold and leasehold land and buildings				
— at directors' valuation 1979	—	1,401	—	—
— at directors' valuation 1980	—	23,955	—	—
— at directors' valuation 1982	—	933	—	—
— at directors' valuation 1983	931	931	—	—
— at directors' valuation 1984	226,646	234,733	18,092	21,850
— at independent valuation 1984	223,298	329,476	1,308	2,346
— at independent valuation 1985	48,434	47,617	818	—
— at directors' valuation 1986	86,258	74,996	266	—
— at directors' valuation September 1987	197,818	—	—	—
— at cost	184,982	118,141	37,968	22,262
	<u>968,367</u>	<u>832,183</u>	<u>58,452</u>	<u>46,458</u>
Deduct: Provision for depreciation	11,735	17,352	929	639
	<u>956,632</u>	<u>814,831</u>	<u>57,523</u>	<u>45,819</u>
(b) Plant, fixtures and fittings, office machines and other equipment at cost	738,411	621,909	530,852	464,160
Deduct: Provision for depreciation	335,001	248,456	260,814	194,224
	<u>403,410</u>	<u>373,453</u>	<u>270,038</u>	<u>269,936</u>
(c) Leasehold improvements at cost	33,886	55,854	25,127	20,563
Deduct: Provision for amortisation	14,188	21,575	10,608	8,615
	<u>19,698</u>	<u>34,279</u>	<u>14,519</u>	<u>11,948</u>
Total premises and equipment	<u>1,379,740</u>	<u>1,222,563</u>	<u>342,080</u>	<u>327,703</u>
Directors' valuation of freehold and leasehold land and buildings	1,210,471	934,431	61,642	49,219

Consolidated		Holding Company	
1987	1986	1987	1986
\$'000	\$'000	\$'000	\$'000

14 Capital Expenditure Commitments

Contracts for outstanding capital expenditure not provided for in these accounts due:

- not later than one year	44,211		21,282	
- later than one year but not later than two years	12,264		17	
- later than two years but not later than five years	454		—	
- later than five years	—		—	
	<u>56,929</u>	<u>25,693</u>	<u>21,299</u>	<u>7,450</u>

15 Lease Rental Commitments

Future rentals in respect of operating leases not provided for in these accounts comprise:

Land and buildings				
- not later than one year	70,399	57,778	44,350	37,192
- later than one year but not later than two years	62,847	52,292	38,663	33,084
- later than two years but not later than five years	141,366	125,311	82,894	72,920
- later than five years	894,353	824,529	393,463	410,215
	<u>1,168,965</u>	<u>1,059,910</u>	<u>559,370</u>	<u>553,411</u>
Furniture, office machines and other equipment				
- not later than one year	14,461	2,920	5,294	1,191
- later than one year but not later than two years	12,308	2,598	4,187	898
- later than two years but not later than five years	14,693	3,078	4,920	1,310
- later than five years	1,456	476	368	477
	<u>42,918</u>	<u>9,072</u>	<u>14,769</u>	<u>3,876</u>
	<u>1,211,883</u>	<u>1,068,982</u>	<u>574,139</u>	<u>557,287</u>

16 Liabilities Payable by Borrowing Corporation Subsidiaries

- not later than one year	2,979,169	2,592,555
- later than one year but not later than two years	1,393,037	1,016,434
- later than two years but not later than five years	548,113	745,503
- later than five years	11,729	17,177
	<u>4,932,048</u>	<u>4,371,669</u>

17 Debts Receivable by Borrowing Corporation Subsidiaries Net of Income Yet to Mature

- not later than one year	2,072,644	1,832,979
- later than one year but not later than two years	1,007,068	982,334
- later than two years but not later than five years	1,407,300	1,334,026
- later than five years	170,715	175,735
	<u>4,657,727</u>	<u>4,325,074</u>

18 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	1,076,177	1,658,437	872,755	1,248,819
Australian Local and Semi Government authorities	69,164	78,579	9,424	—
Other securities	48,872	2,653	—	—

Quoted in other countries:

Government and Local Authority securities	1,382,531	1,352,068	59,481	83,105
Other securities	314,732	488,780	6,925	133,090

Total book value of quoted investments 2,891,476 3,580,517 948,585 1,465,014

Unquoted investments:

Australian Government and Local and Semi Government authorities	517,980	497,345	74,404	—
Australian Treasury notes	1,699,500	712,100	1,208,500	438,100
Treasury bills	819,057	234,572	82,257	16,388
Other securities including equity in leveraged leasing	1,448,303	961,685	687,972	425,397

Total book value 7,376,316 5,986,219 3,001,718 2,344,899

	Consolidated		Holding Company	
	1987 \$'000	1986 \$'000	1987 \$'000	1986 \$'000
18 Investments continued				
Market value				
Quoted in Australia:				
Australian Government securities	1,075,620	1,615,360	872,268	1,218,102
Australian Local and Semi Government authorities	68,751	74,330	9,424	—
Other securities	52,443	2,624	—	—
Quoted in other countries:				
Government and Local Authority securities	1,375,752	1,349,510	61,100	86,669
Other securities	320,586	489,459	6,925	132,114
Total market value of quoted investments	2,893,152	3,531,283	949,717	1,436,885

19 Shares in Subsidiary Companies

Unquoted — at cost		832,944	807,264
— at directors' valuation 1981		143,085	143,085
— at directors' valuation 1985		369,473	369,473
— at directors' valuation 1986		—	274,165
— at directors' valuation 1987		300,713	—
		1,646,215	1,593,987

Acquisition/Disposal of Subsidiaries.

The following subsidiary companies were acquired or disposed of during the financial year.

Company Acquired	Consideration \$'000	Portion of shares Acquired	Net tangible Assets at Date of Acquisition \$'000
McCaughan Dyson Holdings Ltd	28,128	50%	11,709
Vebeta Pty Ltd	1,102	100%	1,096

Company disposed of by Sale	Profit on disposal \$'000	Remaining Interest held after disposal	Net tangible Assets at Date of Disposal \$'000
UDC Endeavour Building Society	50	Nil	2,409
ANZ Finance Ltd	15,244	Nil	44,039

20 Shares in Associated and Other Companies

Quoted — at cost (Market value 1987 \$31,770 — 1986 \$32,964)	12,115	19,906	—	—
Unquoted — at cost less amounts written off	49,423	44,228	28,269	7,809
	61,538	64,134	28,269	7,809

21 Future Income Tax Benefits

Included in all other assets	253,413	212,155	126,680	127,350
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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 \$6.482 million (1986 — \$8.496 million), will only be obtained if:

- 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;
- the relevant companies continue to comply with the conditions for deductibility imposed by the law; and
- there are no changes in taxation legislation adversely affecting the relevant companies in realising the benefit of the taxation deductions.

	Consolidated		Holding Company	
	1987 \$'000	1986 \$'000	1987 \$'000	1986 \$'000
22 Contingent Liabilities				
Commercial bills endorsed	211,451	142,602	92,517	66,336
Liabilities under letters of credit	2,475,495	1,722,251	1,848,732	1,571,442
Guarantees, warranties and indemnities	6,658,334	5,052,431	3,309,413	1,744,598
Other	118,523	22,867	107,216	15,712
	9,463,803	6,940,151	5,357,878	3,398,088

The Holding Company has:

- (i) Guaranteed the depositors' balances with Australia and New Zealand Savings Bank Limited.
- (ii) Guaranteed payment of certificates of deposit, bearer deposit notes and bankers' acceptances issued by ANZ Bank Canada.
- (iii) Guaranteed payment on maturity of the principal and accrued interest of commercial paper notes issued by ANZ (Delaware) Inc.
- (iv) Guaranteed the debts of certain Australian wholly-owned subsidiaries specified in Note 30 in terms of the National Companies and Securities Commission class order dated 22 April 1986 relieving wholly-owned subsidiaries from compliance with certain sections of the Companies Code relating to accounts.
- (v) A contingent tax liability in respect of amounts received for share options issued during 1987 and credited to capital reserve should the option holder decide not to exercise the option by the due date of 5 August 1992.

ANZ Banking Group (New Zealand) Limited has guaranteed the depositors' balance with ANZ Savings Bank (New Zealand) Limited.

23 Off-Balance Sheet Financial Instruments

The Group is an active market participant in off balance sheet financial instruments, principally forward exchange contracts, interest rate and currency swaps, forward rate agreements, financial futures and options traded in the financial markets throughout the world.

These instruments are used by the Group to:-

- facilitate prudent and strategic management of the interest rate and currency risks inherent in the Group's banking activities;
- provide financial services as an intermediary to enable customers to modify, transfer or reduce their interest rate or foreign exchange risks; and
- enable arbitrage between the various financial markets or positions to be adopted which take advantage of profitable trading opportunities.

Management of these instruments is integrated into the Group's prudential risk management practices. In particular, assessment of any credit risk is included in the evaluation of the exposure of the Group to customers.

Adequate provision has been made for any unrealised losses and it is not envisaged that any irrecoverable liability will arise from the settlement of these types of transactions.

24 Comparative Figures for 1986

In some instances comparative figures for 1986 have not been included in respect of changes made in accordance with the new Schedule 7 because of the unreasonable expense and delay that would be incurred to provide these figures.

25 Superannuation Commitments

A total of 72 pension funds have been established in the Group worldwide. The major funds with assets in excess of \$20m are:

Country	Fund	Benefit Type	Basis of Contribution	Date of Last Actuarial Valuation	Actuary
Australia	ANZ GROUP (Aust.) Staff Pension Scheme	Lump Sum	Balance of Cost	April 1987	Towers Perrin Forster & Crosby
Australia	ANZ Aust. Staff Superannuation Scheme	Lump Sum	Defined Contribution	Not Applicable Scheme commenced 1 April 1987	Towers Perrin Forster & Crosby
New Zealand	Staff Pension Scheme (1972)	Pension	Balance of Cost	Dec 1985	Mercers - New Zealand
United Kingdom	Staff Pension Scheme	Pension	Balance of Cost	Dec 1985	R. Watson & Sons
United Kingdom	Senior Management Pension Scheme	Pension	Balance of Cost	Dec 1985	R. Watson & Sons
United Kingdom	Brandts Timber Pension Scheme	Pension	Balance of Cost	Dec 1985	R. Watson & Sons
United Kingdom	ANZ GROUP (UK) Staff Pension Scheme	Pension	Balance of Cost	Dec 1985	R. Watson & Sons
India	Staff Pension Scheme	Pension	Balance of Cost	Sept 1986	B. Chatterjee FIA

The liabilities of all the pension funds are covered by the assets in the funds or by specific provisions created in the Group.

The Group is obliged to contribute to the pension funds as a consequence of legislation or trust deeds. Legal enforceability is dependent on the terms of the legislation and the trust deeds.

Definitions: Balance of Cost — the Group's contribution is assessed by the actuary after taking into account the members contribution and the value of the assets.

Defined Contribution — the Group's contribution is set out in the appropriate fund rules, usually as a fixed percentage of salary.

26 Remuneration of Directors and Executives

Remuneration of directors:

The number of Directors of the Holding Company whose total remuneration received or due and receivable was within each of the following bands:

\$	Consolidated 1987	Holding Company 1987
440,001 to 450,000		1
320,001 to 330,000		1
160,001 to 170,000		1
70,001 to 80,000		1
50,001 to 60,000		2
40,001 to 50,000		2
30,001 to 40,000		4
20,001 to 30,000		3

Total remuneration received or due and receivable by the directors of all

Group corporations including the total remuneration of executive directors excluding executive directors of subsidiaries who are executives of the Holding Company but including executive directors of the Holding Company (\$'000s)

25,524

1,455

Remuneration of executives:

The number of executives whose total remuneration received, or due and receivable, was within each of the following bands:

\$	Consolidated 1987	Holding Company 1987
550,001 to 560,000	2	—
440,001 to 450,000	1	1
420,001 to 430,000	1	1
390,001 to 400,000	2	—
320,001 to 330,000	3	3
310,001 to 320,000	2	—
300,001 to 310,000	2	—
280,001 to 290,000	1	—
270,001 to 280,000	2	—
250,001 to 260,000	2	1
240,001 to 250,000	1	1
230,001 to 240,000	5	—
220,001 to 230,000	2	1
210,001 to 220,000	1	1
200,001 to 210,000	2	—
190,001 to 200,000	2	1
180,001 to 190,000	9	2
170,001 to 180,000	9	1
160,001 to 170,000	10	4
150,001 to 160,000	6	2
140,001 to 150,000	2	2
130,001 to 140,000	6	3
120,001 to 130,000	10	1
110,001 to 120,000	10	1
100,001 to 110,000	2	—
90,001 to 100,000	2	—

Consolidated
1987
\$'000

Holding Company
1987
\$'000

Retirement benefits:

Amounts paid in connection with the retirement of persons from the office of director and principal executive officer of group companies

1,088

77

The directors believe that the provision of full particulars would be unreasonable.

27 Dividends

Unfranked interim dividend paid, 10.0¢ per share	\$'000 52,223
Fully franked proposed final dividend, 11.0¢ per share	76,994
	<u>129,217</u>

As at 30 September 1987, the Group has \$46.837 million of unappropriated profits and reserves which could be distributed as fully franked dividends.

28 Financing Arrangements (this note only applies to subsidiary borrowing or guarantor corporations or corporations registered under the Financial Corporations Act 1974)

Nature	Aggregate amount of finance that is accessible/provided \$'000	Restrictions as to its use	Aggregate amount of credit unused \$'000
(a) Financing arrangements which such subsidiary corporations have access to:			
Credit standby arrangements			
— Overdraft standby	85,700	Normal finance arrangements	66,200
— Commercial bills acceptance discount lines	35,000	Normal finance arrangements	35,000
Other financing arrangements			
— Overdrafts	8,700	Normal finance arrangements	8,408
— Commercial bill endorsement facilities	5,000	Normal finance arrangements	5,000
(b) Financing arrangements which such subsidiary corporations have provided:			
Credit standby arrangements — Revolving facilities	152,773	Contractual arrangements per individual client	106,333
Loan rollover facilities — Commercial bill facilities	41,111	Contractual arrangements per individual client	12,200
Other financing arrangements — Loan and lease facilities	775,865	Contractual arrangements per individual client	457,738

29 Consolidated Statement of Source and Application of Funds

	1987 \$'000	1987 \$'000	1986 \$'000	1986 \$'000
Source of Funds				
Inflow of funds from operations — Interest revenue	6,437,000		5,600,723	
— Other	1,646,546	8,083,546	1,107,099	6,707,822
Less outflow of funds from operations		6,956,741		5,996,666
Funds derived from operations (note 1 below)		1,126,805		711,156
Reduction in assets:				
Liquid assets		375,714		—
Shares in associated companies		42,919		—
Disposal of subsidiaries		46,448		—
Increases in liabilities:				
Deposits, bonds and note issues		3,239,782		7,463,115
Bills payable and all other liabilities		1,252,344		2,821,332
Borrowings by subsidiaries		128,042		339,775
New share issues including premium on issue		75,615		461,216
Issue of perpetual floating rate notes		416,609		—
		6,704,278		11,796,594
Application of Funds				
Increases in assets:				
Premises, equipment and other fixed assets (net)		231,237		259,144
Liquid assets		—		3,530,057
Investments		1,390,097		1,183,658
Regulatory deposits with central and other banks		108,850		238,333
Loans, advances and net receivables		2,390,025		5,346,723
All other assets		1,480,487		787,274
Reduction in liabilities:				
Due to other banks		774,534		—
Goodwill arising on acquisition of subsidiaries		18,141		131,123
Acquisition of subsidiaries		14,305		—
Payment of income tax		141,441		131,415
Payment of dividends		124,323		114,708
Payments from provisions		29,742		4,092
Reduction in minorities on New Zealand group becoming wholly owned		—		70,067
Minority interest in funds from operations		1,096		—
		6,704,278		11,796,594

Note 1

Reconciliation of operating profit before tax with funds derived from operations:

Operating profit before tax	965,755	580,412
Add: depreciation and amortisation	123,055	111,514
provision for employee entitlements	3,123	12,921
provision for non-lending losses	24,116	2,960
other provisions	10,756	3,349
Funds from operations	1,126,805	711,156

30 Subsidiary Companies and Group Interests

	Incorporated in	Principal areas of operations	Issued capital	Contribution to group result \$'000	
				1987	1986
<i>Australia & New Zealand Banking Group Limited</i>	Australia	International		148,104	130,019
Subsidiaries					
§ Adelaide Nominees Limited	England	England	100 shares of £1	—	—
* ANZ Adelaide Group Limited	Australia	Australia	31,504,687 shares of \$1	855	63
ANZ Aviation Services Limited	Australia	Australia	5 shares of \$1	(114)	—
ANZ Bank Canada	Canada	Canada	107,500 shares of CA\$100	1,848	36
<i>ANZ Capital Markets Corporation Limited</i>	Australia	Australia	7,812,500 shares of \$1	4,090	4,621
ANZCAP Leasing Nominees Pty Limited	Australia	Australia	2 shares of \$1	45	140
ANZCAP Leasing Nominees (Vic) Pty Limited	Australia	Australia	2 shares of \$1	2	1
ANZCAP Leasing Services Limited	Australia	Australia	5 shares of \$1	1,551	101
ANZCAP Leasing (Vic) Pty Limited	Australia	Australia	2 shares of \$1	288	4
ANZCAP Management Limited	Australia	Australia	50,000 shares of \$1	304	2
ANZCAP Commercial Development Limited	Australia	Australia	20,003 shares of \$2	1	—
ANZCAP Nominees Limited	Australia	Australia	5 shares of \$1	2	2
ANZCAP Securities Limited	Australia	Australia	2,000,000 shares of \$1	29	8
§ Australian International Limited	Vanuatu	International	200,000 shares of £.50	265	40
Delfin Corporate Services Limited	Australia	Australia	800,000 shares of \$1	191	—
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	—	—
<i>ANZ Executors & Trustee Company Limited</i>	Australia	Australia	3,000,002 shares of \$1 fully paid 2,499,998 shares of \$1 paid to 40¢	4,076	2,892
ANZ Executors Nominees Limited	Australia	Australia	5,000 shares of \$2	—	—
ANZ Executors Nominees (NSW) Limited	Australia	Australia	5,000 shares of \$2	—	—
ANZ Executors & Trustee Company (Canberra) Limited	Australia	Australia	300,000 shares of \$2	48	160
ANZ Executors & Trustee Company (South Australia) Limited	Australia	Australia	750,000 shares of \$1	56	(140)
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¢	2,328	6,434
§ ANZ Finance (Jersey) Limited	Jersey	Jersey	10 shares of £1	—	—
ANZ Funds Pty Limited	Australia	Australia	100 shares of \$2 650,394,510 redeemable pref. shares of \$1	20	—
* ANZ Holdings Limited	Australia	Australia	23,100,000 shares of \$1	211	34
Tannadice Pty Ltd	Australia	Australia	2 shares of \$1	—	—
Tirocourt Pty Ltd	Australia	Australia	100 shares of \$1	—	—
§ ANZ Holdings (New Zealand) Limited	New Zealand	New Zealand	200 shares of NZ\$1 832,892,642 redeemable pref. shares of NZ\$1	—	—
§ ANZ Banking Group (New Zealand) Limited	New Zealand	New Zealand	234,574,038 shares of NZ\$50¢ fully paid	76,630	48,669
ANZ Capital Markets Corporation (NZ) Limited	New Zealand	New Zealand	2,000,000 shares of NZ\$1	(45)	—
§ ANZ Life Assurance (New Zealand) Limited	New Zealand	New Zealand	10 shares of NZ\$1 uncalled	—	—
§ Charge Card Corporation Limited	New Zealand	New Zealand	102,000 shares of NZ\$1	(1,990)	—
§ Esanda Limited	New Zealand	New Zealand	20 shares of NZ\$1 uncalled	—	—
§ ANZ Pensions (New Zealand) Limited	New Zealand	New Zealand	100 shares of NZ\$1	—	—
§ ANZ Properties (New Zealand) Limited	New Zealand	New Zealand	10,000 shares of NZ\$1	(1,119)	18
ANZ (New Zealand) Finance N.V.	Netherland	Curacao	6,000 shares of US\$1	—	—
§ ANZ Savings Bank (New Zealand) Limited	New Zealand	New Zealand	250,000 shares of NZ\$2	4,102	1,594
§ Endeavour Investments (New Zealand) Limited	New Zealand	New Zealand	34,000,000 shares of NZ\$1 120,000 red. pref. shares of NZ\$1,000	2,302	—
§ Leverage Lease Nominees Limited	New Zealand	New Zealand	1,000 shares of NZ\$1	—	—
§ Mercantile Securities (Hong Kong) Limited	Hong Kong	Hong Kong	5,000 shares of HK\$2	—	561
§ UDC Developments Limited	New Zealand	New Zealand	20,000 shares of NZ\$1	—	1
§ UDC Finance Limited	New Zealand	New Zealand	3,000,000 shares of NZ\$1	—	(491)
§ UDC Group Holdings Limited	New Zealand	New Zealand	18,360,000 shares of NZ\$1 fully paid 31,640,000 shares of NZ\$1 uncalled	5,791	20
§ UDC Mercantile Securities Limited	New Zealand	New Zealand	5,000,000 shares of NZ\$2	—	3,992
§ UDC Nominees Limited	New Zealand	New Zealand	1,000 shares of NZ\$1	—	—
§ UDC Properties Limited	New Zealand	New Zealand	65,000 shares of NZ\$2	—	35
§ ANZ Holdings (U.K.) p.l.c.	England	England	66,604,575 shares of 25p 25,000,000 red pref shares of £1	(718)	101
§ Alnery No. 506 Limited	England	England	2 shares of £1	—	—
§ Anvid Limited	England	England	2 shares of £1	39	18
§ ANZ Asia Limited Hong Kong	Hong Kong	Hong Kong	10,000,000 shares of HK\$1 2,755 red pref shares of HK\$1	—	—
§ ANZ Asia Pacific Holdings Limited	Hong Kong	Hong Kong	2 shares of £1	3,727	(6,148)
§ ANZ Asia Pacific Management Services Limited	Hong Kong	Hong Kong	2 shares of US\$10	—	—
§ ANZ Aval Limited	England	England	2 shares of £1	30	—
§ ANZ Bank (Vanuatu) Limited	Vanuatu	Vanuatu	50,000 shares of \$1 950,000 pref. shares of \$1	1,005	1,231
§ ANZ Finance Corporation Limited	England	England	100 shares of £1	(7,900)	(3,835)
ANZ Finanziaria SpA	Italy	Italy	300 shares of Lire 1m	(510)	—

§ Audited by overseas Klynveld Peat Marwick Goerdeler firms * Audited by firms other than members of Klynveld Peat Marwick Goerdeler

* Debts of these subsidiaries guaranteed by the Holding Company in terms of the National Companies and Securities Commission

Class Order dated 22 April 1986 relieving wholly owned subsidiaries from compliance with certain sections of the Companies Code relating to preparation of audited accounts.

Beneficial interest and book value				Held by	Nature of business
%	\$'000	%	\$'000		
1987		1986			
100	#	100	#	ANZ Banking Group	Nominee services
100	66,116	100	66,116	ANZ Banking Group	Property owning company
100	#	—	—	ANZ Banking Group	Aviation services
100	16,771	100	13,378	ANZ Banking Group	Full range of banking services
100	26,548	100	26,548	ANZ Banking Group	Merchant bank
100	#	100	—	ANZ Capital Markets	Lease finance
100	#	100	—	ANZ Capital Markets	Lease finance
100	#	100	—	ANZ Capital Markets	Lease finance
100	50	100	—	ANZ Capital Markets	Manager of superannuation trust funds
100	40	—	—	ANZ Capital Markets	Advisory services
100	#	100	—	ANZ Capital Markets	Nominee services
100	2,000	100	—	ANZ Capital Markets	Securities dealer
100	214	100	—	ANZ Capital Markets	Merchant Bank
100	754	—	—	ANZ Capital Markets	Advisory services
100	#	100	#	ANZ Banking Group	Custodian and nominee services
100	14	100	17	ANZ Banking Group	Finance activities
100	#	100	—	ANZ Investments	Negotiation of foreign currency loans
100	4,000	100	4,000	ANZ Banking Group	Trustee, nominee and agency business
100	20	100	—	ANZ Executors & Trustee	Trustee, nominee and agency business
100	#	100	—	ANZ Executors & Trustee	Trustee, nominee and agency business
100	559	100	—	ANZ Executors & Trustee	Trustee, nominee and agency business
100	635	100	—	ANZ Executors & Trustee	Trustee, nominee and agency business
100	16,239	100	16,239	ANZ Banking Group and ES&A Holdings	Finance activities
100	#	100	#	ANZ Banking Group	Non-operative
100	287,504	100	274,164	ANZ Banking Group	Holding company
100	54,759	100	54,759	ANZ Banking Group	Property owning company
100	#	—	—	ANZ Holdings Ltd	Property owning company
100	#	—	—	Tannadice Pty Ltd	Property owning company
100	329,961	100	—	ANZ Funds	Holding company
100	329,961	100	—	ANZ Holdings (NZ)	Full range of banking services
100	1,814	100	—	ANZ Banking Group (NZ)	Merchant bank
100	#	100	—	ANZ Banking Group (NZ)	Non-operative
100	#	51	—	ANZ Banking Group (NZ)	Administrator of Charge Card services
100	#	100	—	ANZ Banking Group (NZ)	Non-operative
100	#	100	—	ANZ Banking Group (NZ)	Trustee of staff pension funds
100	12,075	100	—	ANZ Banking Group (NZ)	Property owning company
100	10	100	—	ANZ Banking Group (NZ)	Finance activities
100	9,200	100	—	ANZ Banking Group (NZ)	Savings Bank
100	140,426	100	—	ANZ Banking Group (NZ)	Holding company
100	1	100	—	UDC Finance	Nominee services
100	2	100	—	UDC Mercantile Securities	Finance activities
100	18	100	—	UDC Finance	Property development and management
100	3,389	100	—	UDC Group Holdings	General finance facilities
100	11,624	100	—	Endeavour Investments (NZ) and ANZ Banking Group (NZ)	Holding company
100	9,072	100	—	UDC Finance	Merchant bank
100	1	100	—	UDC Finance	Nominee services
100	118	100	—	UDC Finance	Property owning company
100	317,372	100	249,962	ANZ Banking Group	Banking and related services
100	#	—	—	ANZ Finance Corporation	Non-operative
100	#	100	—	Grindlays Bank	Property finance nominee
100	1,806	—	—	ANZ Asia Pacific Holdings	Deposit taking institution
100	20	100	—	Grindlays Industrial Holdings	Nominee company
100	#	100	—	ANZ Asia Pacific Holdings	Management services
100	#	—	—	Grindlays Finance Corporation	Factoring
100	#	100	—	ANZ Asia Pacific Holdings and Melanesia International	Banking
100	#	100	—	ANZ Holdings (UK)	Holding company
100	#	—	—	Grindlays International (Netherlands) and Grindlays Bank (Jersey)	Banking

Amounts under \$500

Notes to the Accounts continued

Subsidiary Companies and Group Interests continued	Incorporated in	Principal areas of operations	Issued capital	Contribution to group result \$'000	
				1987	1986
§ ANZ Leasing Limited	England	England	100 shares of £1	(9,968)	144
§ ANZ Leasing No. 2 Limited	England	England	100 shares of £1	(273)	—
§ ANZ Merchant Bank Limited	England	England	20,000,000 shares of £1	(702)	(2,272)
§ ANZ Merchant Bank Nominees Limited	England	England	100 shares of £1	—	—
§ ANZ Securities Asia Limited	Hong Kong	Hong Kong	100,000 shares of US\$10 2 shares of US\$1	—	11
§ ANZ Securities (Switzerland)	Switzerland	Switzerland	10,000 shares of Sw.Fr.1,000	—	243
§ ANZ Securities (UK) Limited	England	England	2,000,000 shares of £1	(653)	—
§ Avrenim Catering Services Limited	England	England	100 shares of £1	—	—
§ Axeby Limited	England	England	1000 ordinary shares of £1	14	—
§ Baker Leasing Limited	England	England	352,000 deferred shares of £1	(941)	—
§ Benfar Limited	England	England	100 shares of £1	—	—
§ Brandts France S.A.	France	France	2,500 bearer shares of F.Fr.100	—	—
§ Brandts Nominees Limited	England	England	100 shares of £1	—	—
§ Brandts Second Nominees Limited	England	England	100 shares of £1	—	—
§ Brandts Timber Group Limited	England	England	200,000 shares of £1	(9)	—
§ Brandts Woodpulp International Limited	England	England	15,000 shares of £1	(2)	—
§ Capel-Cure Myers	England	England	998,257 'N' shares of £1	(1,362)	408
§ Capel-Cure Myers Nominees Limited	England	England	2,000 shares of £1	—	—
§ Caphouse Nominees Limited	England	England	100 shares of £1	—	—
§ CCM Financial Services Limited	England	England	100 shares of £1	—	—
§ Clive Street Nominees Private Limited	India	India	100 shares of Rs11	—	—
§ Electronic Banking Systems Limited	Jersey	Jersey	30,000 shares of £1	—	—
§ E.S.&A. Properties (UK) Limited	England	England	125,000 shares of £1	34	32
§ Gillespie Bros & Company Limited	England	England	1,000,000 shares of £1	364	—
§ Grindinvest S.A.	France	France	2,490 bearer shares of F.Fr.100	—	—
§ Grindlay Brandts Executor & Trustee Company Limited	England	England	250,000 shares of £1 (40p paid)	32	—
§ Grindlay Vanguard Management Limited	England	England	25,000 shares of £1	—	—
§ Grindlay Brandts (Australia) Limited	Australia	Australia	91,000 shares of \$1 fully paid	—	(5)
§ Grindlays Australia Limited	Australia	Australia	4,750,000 shares of \$1	34	672
§ Grindlays Bank International (Kenya) Limited	Kenya	Kenya	500,000 shares of K.Sh.20	825	1,217
* Grindlays Bank International (Uganda) Limited	Uganda	Uganda	100,000 shares of U.Sh.20	403	1,064
§ Grindlays Bank International (Zambia) Limited	Zambia	Zambia	6,800,000 shares of Kw.1	1,877	2,036
§ Grindlays Bank (Jersey) Limited	Jersey	Jersey	2,000,000 shares of £1	9,077	7,782
§ Grindlays Bank Nominees (Jersey) Limited	Jersey	Jersey	100 shares of £1	—	—
§ Grindlays Bank p.l.c.	England	International	800,000 shares of £1 25,000,000 red. pref. shares of £1 60,000,000 deferred shares of £1	7,173	12,104
§ Grindlays Bank S.A.	France	France	950,000 shares of F.Fr.100	695	2,075
* Grindlays Bank (Uganda) Limited	Uganda	Uganda	1,000,000 shares of U.Shs.20	415	1,167
* Grindlays Bank (Zaire) S.Z.A.R.L.	Zaire	Zaire	250,000 shares of Z\$1	948	1,777
§ Grindlays Brandts Export Finance Limited	England	England	250,000 shares of £1	(107)	59
§ Grindlays Capel-Cure (Holdings) Limited	England	England	2 shares of £1	(2,517)	(1,508)
§ Grindlays Capel-Cure International Management Company Limited	Guernsey	Guernsey	7 shares of £1	—	—
* Grindlays Equipment Finance Limited	England	England	100 shares of £1	(2,358)	422
§ Grindlays Executor & Trust Company (Private) Limited	Zimbabwe	Zimbabwe	2 shares of Z\$1	—	—
* Grindlays Export Finance A.G.	Switzerland	Switzerland	50 shares of Sw.Fr.1,000	—	—
§ Grindlays Finance Corporation Limited	England	England	2,000,000 shares of £1	(10,093)	(9,561)
§ Grindlays Futures Limited	Scotland	England	4,000,000 shares of 25p	—	—
§ Grindlays Holdings Finance Corporation Limited	England	England	100 shares of £1	—	—
§ Grindlays Industrial & Commercial Finance Limited	Zimbabwe	Zimbabwe	1,100,000 shares of Z\$1	451	456
§ Grindlays Industrial Holdings Limited	England	England	1,845,000 shares of £1 20,500 deferred shares of £1	(658)	(2,771)
§ Grindlays International (Curacao) NV.	Netherlands/Antilles	International	80,000 shares of US\$1	—	—
§ Grindlays International (Bahamas) Limited	Bahamas	—	10,000 shares of US\$1	—	—
§ Grindlays International (Cayman Islands) Limited	Cayman Islands	—	10,000 shares of US\$1	—	—
§ Grindlays International Finance (Kenya) Limited	Kenya	Kenya	250,000 shares of K.Sh.20	—	—
§ Grindlays International (Gibraltar) Limited	Gibraltar	—	2 shares of £1	—	—
§ Grindlays International Limited	Hong Kong	Bahrain	200,000 shares of HK\$100	(1,763)	(6,749)
§ Grindlays International (Nederland) B.V.	Netherlands	Netherlands	300,000 shares of F11	—	—
§ Grindlays International (Panama) BV	Panama	—	100 bearer shares of US\$1	—	—
§ Grindlays (Isle of Man) Limited	Isle of Man	Isle of Man	100 shares of £1	—	—
§ Grindlays Leasing of Zambia Limited	Zambia	Zambia	1,000,000 shares of Kw.1	319	273
§ Grindlays Nominees (Kenya) Limited	Kenya	Kenya	100 shares of K.Sh.20	—	—
§ Grindlays Nominees (Private) Limited	Zimbabwe	Zimbabwe	5 shares of Z\$2	—	—
§ Grindlays Nominees (Zambia) Limited	Zambia	Zambia	3 shares of Kw.2	—	—
* Grindlays Participacoes e Servicos Limitada	Brazil	Brazil	5,713,200 shares of Cr1	(166)	(87)
§ Grindlays Properties Limited	England	England	100 shares of £1	(245)	653

§ Audited by overseas Klynveld Peat Marwick Goerdeler firms * Audited by firms other than members of Klynveld Peat Marwick Goerdeler
 ° Debts of these subsidiaries guaranteed by the Holding Company in terms of the National Companies and Securities Commission
 Class Order dated 22 April 1986 relieving wholly owned subsidiaries from compliance with certain sections of the Companies Code relating to preparation of audited accounts.

Beneficial interest and book value				Held by	Nature of business
%	\$'000	%	\$'000		
1987		1986			
100	#	100	—	Grindlays Bank	Lease finance
100	5,800	100	—	Grindlays Bank	Full payout of lease finance
100	30,071	100	—	ANZ Finance Corporation	Banking
100	#	100	—	ANZ Merchant Bank Limited	Holding company
100	#	100	—	ANZ Merchant Bank	Merchant banking
100	4,926	100	—	Grindlays Industrial Holdings	Securities
100	#	100	—	Grindlays Int (Nederland) and Grindlays Bank (Jersey)	Banking
100	#	100	—	Grindlays Bank	Non-operative
100	2	—	—	Capel-Cure Myers	Market making
100	#	—	—	Grindlays Bank	Lease finance
100	#	100	—	Capel-Cure Myers	Printing and printing services
100	58	100	—	Grindlays Bank SA	Property trading company
100	#	100	—	Grindlays Finance Corporation	Nominee company
100	#	100	—	Grindlays Finance Corporation	Nominee company
100	580	100	—	Grindlays Finance Corporation	Timber agents
100	85	100	—	Wm. Brandts (Timber)	Woodpulp agents
100	2,288	100	—	Grindlays Capel-Cure Holdings	Stockbrokers
100	#	100	—	Capel-Cure Myers	Nominee company
100	#	100	—	ANZ Merchant Bank	Nominee company
100	#	100	—	Capel-Cure Myers	Stockbroking services
100	#	100	—	Grindlays Bank	Nominee company
70	#	70	—	Grindlays Bank (Jersey)	Grindlays group software enhancement
100	287	100	—	ANZ Holdings (UK)	Property owning company
100	#	100	—	Grindlays Finance Corporation	Confirming house
99.6	57	99.6	—	Grindlays Bank SA	Investment management company
100	229	100	—	Grindlays Bank	Corporate trustee
100	29	100	—	Grindlays Bank (Jersey)	Management company
100	152	100	—	Grindlays Industrial Holdings	Investment and holding company
100	6,608	100	—	Grindlays Industrial Holdings	Merchant banking
60	815	60	—	Grindlays Industrial Holdings	Full range of banking services
100	258	100	—	Grindlays Bank	Full range of banking services
100	2,559	100	—	Grindlays Industrial Holdings	Full range of banking services
100	3,440	100	—	Grindlays Industrial Holdings	Full range of banking services
100	#	100	—	Grindlays Bank (Jersey)	Nominee company
100	169,380	100	171,923	ANZ Holdings (UK) and ANZ Banking Group	Full range of banking services
100	20,883	100	—	Grindlays Industrial Holdings	Full range of banking services
51	511,412	51	—	Grindlays Bank	Full range of banking services
100	493	100	—	Grindlays Industrial Holdings	Full range of banking services
100	#	100	—	Grindlays Finance Corporation	Export financing
100	#	100	—	Grindlays Bank	Investment holding company
100	#	—	—	ANZ Merchant Bank	Fund management
100	#	100	—	Grindlays Finance Corporation	Lease finance
100	#	100	—	Grindlays Bank	Executor and trust company
100	#	100	—	Grindlays Brandts Export Finance	Export finance in EEC markets
100	4,586	100	—	Grindlays Bank	Holding company
100	1,432	100	—	Grindlays Finance Corporation	Financing futures dealing
100	#	100	—	ANZ Holdings (UK)	Holding company
100	909	100	—	Grindlays Bank	Hire purchase, lease and term loan facilities
100	5,123	100	—	Grindlays Finance Corporation	Holding company
100	#	100	—	Grindlays International (Nederland)	Holding company
100	14	100	—	Grindlays International (Cayman)	Non-operative
100	#	100	—	Grindlays International (Curacao)	Non-operative
60	417	60	—	Grindlays Bank Int (Kenya)	Project finance
100	#	100	—	Grindlays International (Cayman)	Non-operative
100	4,974	100	—	Grindlays Industrial Holdings	Offshore banking
100	163	100	—	Grindlays Bank	Holding company
100	14	100	—	Grindlays International (Cayman)	Non-operative
100	#	100	—	Grindlays International (Cayman)	Non-operative
100	89	100	—	Grindlays Bank Int (Zambia)	Lease finance
60	#	60	—	Grindlays Bank Int (Kenya)	Nominee company
100	#	100	—	Grindlays Bank	Nominee company
100	#	100	—	Grindlays Bank Int (Zambia)	Nominee company
100	64	100	—	Grindlays Bank	Services to representative
100	#	100	—	Grindlays Holdings Finance Corp.	Holding company

Amounts under \$500

Notes to the Accounts continued

Subsidiary Companies and Group Interests continued	Incorporated in	Principal areas of operations	Issued capital	Contribution to group result \$'000	
				1987	1986
§ Grindlays Secretarial Services Limited	Jersey	Jersey	100 shares of £1	—	—
§ Grindlays Securities Australia Limited	Australia	Australia	10,000,000 shares of \$1	560	—
§ Grindlays Securities Limited	England	England	270,000 shares of 20p	—	—
* Grindlays Services of Pakistan (Private) Limited	Pakistan	Pakistan	250,000 shares of Rs.10	—	—
* Grindlays Trust Company S.A.	Switzerland	Switzerland	100 registered shares	—	—
§ Grindlays Trust (Jersey) Limited	Jersey	Jersey	5,000 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	205	—
§ Grindlays (No. 4) Investments	England	England	100 shares of £1	(271)	—
§ Grindlays (No. 5) Investments	England	England	100 shares of £1	189	(18)
§ Grindlays (No. 6) Investments	England	England	100 shares of £1	61	—
§ Grindlays (No. 7) Investments	England	England	100 shares of £1	—	—
§ Hotel Regina S.A.	Switzerland	Switzerland	200 bearer shares of Sw.Fr.1,000	—	—
§ Investment Nominees Limited	Vanuatu	Vanuatu	5 shares of £1	—	—
§ Linton Nominee Limited	England	England	100 shares of £1	—	—
§ Minerva Industrial Leasing Limited	England	England	100 shares of £1	(18)	—
§ Minerva Nominees Limited	England	England	3 shares of £1	—	—
§ Minerva Nominees Scotland Limited	Scotland	Scotland	100 shares of £1	—	—
§ Multi Marketing Limited	England	England	10,000 shares of £1	2	—
§ National and Grindlays Bank Limited	England	England	100,000 shares of £5	—	—
§ 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	England	100 shares of £1	—	—
§ Pargola (Shipping) Limited	England	England	100 shares of £1	—	—
§ Parliament Street Nominees Limited	England	England	5 shares of £1	—	—
§ Polish Timber Products Limited	England	England	20,000 shares of £1	253	—
§ Richardson, Glover & Case Nominees Limited	England	England	100 shares of £1	—	—
§ Sam C. Thomson (Timber) Company Limited	Scotland	Scotland	1,000 shares of £1	(5)	—
§ SCI Immobilier Poincare	France	France	100 bearer shares of F.Fr.10	—	—
§ SCI Immobilier Victor Hugo	France	France	100 bearer shares of F.Fr.10	—	—
§ Snow Goose Compania Naviera S.A.	Panama	Panama	2 subscription transfer shares	—	—
§ Societe Immobiliere Quai du Mont-Blanc 7	Switzerland	Switzerland	300 bearer shares of Sw.Fr.1,000	146	30
§ Spey Developments Limited	England	England	800,000 shares of 2.5p	203	—
§ Spey Industrials Limited	England	England	100,000 shares of £1	—	2,196
§ Spey Securities Limited	England	England	1,000 shares of £1	—	—
§ Vanguard Trust Managers Limited	England	England	50,000 shares of £1	9	—
§ Wm. Brandts (Hardwood) Limited	England	England	25,000 shares of £1	(114)	—
§ Wm. Brandts (Timber) Limited	England	England	200,000 shares of £1	237	71
§ Wm. Brandts (Wallply) Limited	England	England	50,000 shares of £1	112	—
° ANZ Investments Limited	Australia	International	150 shares of \$1	1,506	877
° ANZ Leasing Pty Limited	Australia	Australia	2 shares of \$1	—	—
° ANZ Leasing (ACT) Pty Limited	Australia	Australia	4 shares of \$2	—	—
° ANZ Leasing (NSW) Pty Limited	Australia	Australia	8 shares of \$1	—	—
° ANZ Leasing (NT) Pty Limited	Australia	Australia	2 shares of \$1	—	—
° ANZ Leasing (Vic) Pty Limited	Australia	Australia	2 shares of \$1	—	—
ANZ Managed Investments Limited	Australia	Australia	209,010 shares of \$1	2,545	1,599
* ANZ Group Insurance Brokers Limited	Australia	Australia	10,000 shares of \$1	—	—
° ANZ Nominees Limited	Australia	England/Aust/NZ	1,500 shares of £1	—	—
§ ANZ Nominees (Guernsey) Limited	Guernsey	Channel Islands	1,000 shares of £1	—	—
° ANZ Pensions Pty Limited	Australia	Australia	5 shares of \$2	—	—
° ANZ Pensions (Adelaide) Limited	Australia	Australia	5,000 shares of \$2	—	—
§ ANZ Overseas Finance Limited	England	England	100 shares of £1	—	14
§ ANZ Pensions (U.K.) Limited	England	England	250,000 shares of £1	—	—
ANZ Properties (Australia) Limited	Australia	Australia	5,000,000 shares of \$1	1,277	550
ANZ Staff Superannuation (Australia) Pty Ltd	Australia	Australia	100 shares of \$1	—	—
§ Australia and New Zealand Banking Group (Channel Islands) Ltd	Guernsey	Channel Islands	1,000,000 shares of £1	1,372	1,325
§ ANZ Trust Company (Guernsey) Limited	Guernsey	Channel Islands	5,000 shares of £1	—	—
§ Australia and New Zealand Banking Group (PNG) Ltd	Papua New Guinea	Papua New Guinea	2,000,000 shares of K1	1,016	(300)
Australia and New Zealand Savings Bank Limited	Australia	Australia	7,500,000 shares of \$1	43,298	41,062
* Development Finance Corporation Limited	Australia	Australia	8,348,172 shares of \$1	546	559
* AFT Funds Management Limited	Australia	Australia	200,000 shares of \$1	176	139
* AFT Investors Services Limited	Australia	Australia	2,980,000 shares of \$2	(16,415)	52
* AFT Limited	Australia	Australia	500,000 shares of \$2	6,720	87
* AFT Personal Retirement Plans Limited	Australia	Australia	60,000 shares of \$1	23	21
* AFT Portfolio Management Limited	Australia	Australia	50,000 shares of \$2	646	185
* AFT Property Management Pty Limited	Australia	Australia	10,000 shares of \$1	5	10
* AFT Property Services Pty Limited	Australia	Australia	10,000 shares of \$1	46	24
* AFT (Canberra) Limited	Australia	Australia	7 shares of \$2	—	—
* Allied Australian Investments Limited	Australia	Australia	520,000 shares of \$5	319	—
* Australian Fixed Trusts Limited	Australia	Australia	400,000 shares of \$2	—	—

§ Audited by overseas Klynveld Peat Marwick Goerdeler firms * Audited by firms other than members of Klynveld Peat Marwick Goerdeler

° Debts of these subsidiaries guaranteed by the Holding Company in terms of the National Companies and Securities Commission

Class Order dated 22 April 1986 relieving wholly owned subsidiaries from compliance with certain sections of the Companies Code relating to accounts.

Beneficial interest and book value				Held by	Nature of business
%	\$'000	%	\$'000		
	1987		1986		
100	#	100	—	Grindlays Bank (Jersey)	Company administration
100	10,000	100	—	Grindlays Australia	Securities and money market dealer
100	676	100	—	Grindlays Finance Corporation	Trading securities
100	201	100	—	Grindlays Bank	Nominee company
100	#	100	—	Grindlays Brandts AG	Trust managers
100	11	100	—	Grindlays Bank (Jersey)	Trust related matters
100	#	100	—	Grindlays Bank	Special deposit taker
100	#	100	—	Grindlays Bank	Special deposit taker
100	#	100	—	Grindlays Bank	Special deposit taker
100	#	100	—	Grindlays Bank	Special deposit taker
100	#	100	—	Grindlays Bank	Special deposit taker
100	#	100	—	Grindlays Bank	Special deposit taker
100	#	100	—	Grindlays Brandts Export Finance	Non-operative
100	#	100	—	Grindlays Bank	Investment company
100	#	100	—	Capel-Cure Myers	Nominee company
100	#	100	—	Grindlays Bank	Lease finance
100	#	100	—	Grindlays Bank	Nominee company
100	#	100	—	Grindlays Finance Corporation	Nominee company
100	24	100	—	Wm. Brandts (Timber)	Furniture & components, agents
100	#	100	—	Grindlays Industrial Holdings	Non-operative
100	#	100	—	Grindlays Bank	Nominee company
100	#	100	—	Grindlays Bank	Nominee company
100	#	100	—	Grindlays Bank	Non-operative
100	#	100	—	Grindlays Finance Corporation	Non-operative
100	#	100	—	Grindlays Bank	Nominee company
51	23	51	—	Wm. Brandts (Wallply)	Timber agents
100	#	100	—	Capel-Cure Myers	Nominee company
100	#	100	—	Wm. Brandts (Timber)	Timber agents
100	#	100	—	Grindlays Bank SA France	Holding company
100	#	100	—	Grindlays Bank SA	Holding company
100	2	100	—	Grindlays Finance Corporation	Shipping
100	#	100	—	Grindlay Brandts and Grindlays Bank	Property construction
100	1,460	100	—	Grindlays Industrial Holdings	Non-operative
100	#	100	—	Grindlays Industrial Holdings	Non-operative
100	#	100	—	Grindlays Finance Corporation	Non-operative
100	#	—	—	Capel-Cure Myers	Trust managers
100	51	100	—	Wm. Brandts (Timber)	Timber agents
100	#	100	—	Grindlays Finance Corporation	Timber agent
100	115	100	—	Wm. Brandts (Timber)	Sheet materials agents
100	#	100	#	ANZ Banking Group	Holder of subsidiary and other company shares
100	#	100	#	ANZ Banking Group	Nominee/agent in connection with packaging leveraged leases
100	#	100	#	ANZ Banking Group	Nominee/agent in connection with packaging leveraged leases
100	#	100	#	ANZ Banking Group	Co-ordination and arrangement of leveraged lease facilities
100	#	100	#	ANZ Banking Group	Co-ordination and arrangement of leveraged lease facilities
100	#	100	#	ANZ Banking Group	Co-ordination and arrangement of leveraged lease facilities
100	196	100	—	Melbourne Safe Deposit	Unit trust managers
100	10	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	Trustee of staff pension funds
100	10	100	10	ANZ Banking Group	Trustee of staff pension funds
100	#	100	#	ANZ Banking Group	Nominee services
100	565	100	573	ANZ Banking Group	Trustee of staff pension funds
100	5,000	100	—	ANZ Savings Bank	Property owning company
100	#	—	—	ANZ Banking Group	Trustee of staff pension funds
100	565	100	573	ANZ Banking Group	Banking services
100	#	100	—	ANZ (Channel Islands)	Trustee
85	2,653	85	2,793	ANZ Banking Group	Full range of banking services
100	7,500	100	7,500	ANZ Banking Group	Savings Bank
100	64,120	100	64,120	ANZ Banking Group	Investment banking
100	315	100	—	AFT Investors Services	Marketing and operating a cash management trust
100	21,440	100	—	Development Finance Corporation	Management of unit trusts and other funds
100	1,000	100	—	AFT Investors Services	Marketing of property and equity unit trusts
100	60	100	—	AFT Investors Services	Managers of unit trust based on retirements funds
100	100	100	—	AFT Investors Services	Management and marketing of property unit trusts
100	10	100	—	AFT Investors Services	Real estate management for property unit trust
100	10	100	—	AFT Investors Services	Real estate management for property unit trust
100	#	100	—	AFT Investors Services	Retirement fund trustees
100	3,140	—	—	Delfin Holdings	Investment company
100	800	100	—	AFT Investors Services	Trustee for retirement and superannuation funds

Amounts under \$500

Notes to the Accounts continued

Subsidiary Companies and Group Interests continued	Incorporated in	Principal areas of operations	Issued capital	Contribution to group result \$'000	
				1987	1986
* 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	—	—
* Belobek Pty Limited	Australia	Australia	2 shares of \$1	83	38
* Buzila Pty Limited	Australia	Australia	2 shares of \$1	1	—
* Delfin Acceptances Limited	Australia	Australia	4,150,000 shares of \$1	103	55
* Delfin Constructions Pty Limited	Australia	Australia	10,000 shares of \$1	—	—
* Delfin Financial Services Limited	Australia	Australia	10,000 shares of \$1	12	—
* Delfin Holdings Limited	Australia	Australia	4,984,275 shares of \$1	528	1,888
* Delfin Investment Services Limited	Australia	Australia	250,000 shares of \$2	—	42
* Vebeta Pty Limited	Australia	Australia	141,000 shares of \$2	5	—
* Delfin Project Management (QLD) Pty. Limited	Australia	Australia	50,000 shares of \$1	(99)	—
* Delfin Management Services Pty Limited	Australia	Australia	200,000 shares of \$1	3	7
* Delfin Properties Pty Limited	Australia	Australia	180,008 shares of \$2	44	1
* Delfin Property Group Limited	Australia	Australia	1,930,000 shares of \$1	3,047	325
* Delfin Realty Pty Limited	Australia	Australia	2 shares of \$1	351	373
* Delfin Retirement Properties Pty Limited	Australia	Australia	10,000 shares of \$1	(10)	(6)
* Delfin Securities Pty Limited	Australia	Australia	10,000 shares of \$2	—	—
* Delfin Services Limited	Australia	Australia	1,500,000 shares of \$1	1	1
* Delfin Underwriting Limited	Australia	Australia	100,000 shares of \$2	15	25
* Delfin (NSW) Pty Limited	Australia	Australia	500,000 shares of \$1	—	20
* Development Nominees Pty Limited	Australia	Australia	4 shares of \$2	—	—
* Dinias Pty Limited	Australia	Australia	2 shares of \$1	—	—
* Japan Australia Investment Company Limited	Australia	Australia	1,000,000 shares of \$1	6	—
Lakes Shore Hotel Pty Limited	Australia	Australia	1,000 shares of \$1	12	12
* Olga Trading Pty Limited	Australia	Australia	2 shares of \$1	14	16
* Provident Nominees Pty Limited	Australia	Australia	2 shares of \$2	—	—
* Sandomir Pty Limited	Australia	Australia	2 shares of \$1	337	214
* South Australian Unit Trusts Limited	Australia	Australia	100,000 shares of \$2	—	—
West Lakes Limited	Australia	Australia	4,100,000 shares of 50¢	6,474	663
* Votrait No. 258 Pty Limited	Australia	Australia	5 shares of \$1	—	—
* Votrait No. 260 Pty Limited	Australia	Australia	2 shares of \$1	400	—
* Votrait No. 261 Pty Limited	Australia	Australia	2 shares of \$1	400	—
* Votrait No. 262 Pty Limited	Australia	Australia	2 shares of \$1	400	—
* Votrait No. 263 Pty Limited	Australia	Australia	2 shares of \$1	400	—
* Votrait No. 266 Pty Limited	Australia	Australia	2 shares of \$1	400	—
* Esanda Finance Corporation Limited	Australia	Australia	165,000,000 shares of \$1	45,205	31,632
* Analed Pty Limited	Australia	Australia	2 shares of \$1	3,650	275
			500 red. pref. shares of \$1	—	—
* Ashmore Village Pty Limited	Australia	Australia	90 shares of \$1	—	—
* Endeavour Hills Pty Limited	Australia	Australia	3 shares of \$1	—	—
* Esanda (Finance) Australia Limited	Australia	Australia	5 shares of \$2	102	(61)
* Esanda (Wholesale) Pty Limited	Australia	Australia	50 shares of \$2	—	—
* FCA Leasing Pty Ltd	Australia	Australia	250,000 shares of \$2	2	3
* FCA Finance Pty Limited	Australia	Australia	260,000 shares of \$2	10,786	2,204
* Finance Corporation of Australia Limited	Australia	Australia	41,000,000 shares of \$1	953	16,232
			300,000 preference shares of \$1	—	—
			25,000,000 preference 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	—	—
* Meadowlake Pty Ltd	Australia	Australia	180 shares of \$1	—	—
§ Esanda Nominees Limited	England	England	100 shares of £1	—	—
* ES&A Holdings Limited	Australia	Australia	12,600,000 shares of \$1	208	11
* 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	16	12
Greater Pacific Life Assurance Company Limited	Australia	Australia	250,000 shares of \$2	19,167	8,749
Greater Pacific Lifestyle Planning Limited	Australia	Australia	200,000 shares of \$1	(194)	—
Crescent Pacific Properties Limited	Australia	Australia	200 shares of 50¢	—	1
Greater Pacific Nominees Pty Limited	Australia	Australia	10,000 shares of \$1	—	1
Greater Pacific Casualty Limited	Australia	Australia	200,000 shares of \$1	(2)	8
Greater Pacific Financial Services Limited	Australia	Australia	100 shares of \$1	(41)	203
			999,900 shares paid to 75¢	—	—
§ Landisa Investment Pte Ltd	Singapore	Singapore	2 shares of \$1	(6)	—
			6,875 red. pref. shares of S\$1	—	—
§ ANZ Singapore Ltd	Singapore	Singapore	3,000,000 shares of S\$1	3	—
§ ANZ COVER Insurance Pte Ltd	Singapore	Singapore	1,000,000 shares of S\$1	(169)	—
			180 red. pref. shares of S\$1	—	—
§ Grindlays Eurofinance BV	Netherlands	Netherlands	500 shares of D.F.I. 1,000	(16)	50
§ Melanesia International Trust Company Limited	Vanuatu	International	931,469 shares of 50p	338	216
McCaughan Dyson Futures Limited	Australia	Australia	850,000 shares of \$1	184	47

§ Audited by overseas Klynveld Peat Marwick Goerdeler firms * Audited by firms other than members Klynveld Peat Marwick Goerdeler

° Debts of these subsidiaries guaranteed by the Holding Company in terms of the National Companies and Securities Commission

Class Order dated 22 April 1986 relieving wholly owned subsidiaries from compliance with certain sections of the Companies Code relating to preparation of audited accounts.

%	Beneficial interest and book value		Held by	Nature of business	
	\$'000	%			\$'000
	1987	1986			
100	100	100	—	AFT Investors Services	Trustee for retirement and superannuation funds
100	50	100	—	AFT Investors Services	Trustee for retirement funds
100	700	100	—	AFT Investors Services	Trustee for superannuation funds
100	100	100	—	AFT Investors Services	Trustee for retirement funds
100	#	100	—	Delfin Holdings	Investment in corporate securities
100	#	—	—	Delfin Underwriting	Holding company
100	6,830	100	—	Development Finance Corporation	Merchant banking
100	117	100	—	Delfin Property Group	Construction of residential and commercial buildings
100	10	100	—	Development Finance Corporation	Leasing services
100	15,917	100	—	Development Finance Corporation	Industrial investment and holding company
100	647	100	—	AFT Investor Services	Investment management
100	1,102	—	—	Buzila Pty Limited	Investment company
60	#	30	—	Delfin Property Group	Project management
100	1,418	100	—	Delfin Property Group	Land and shopping centre management
100	4,984	100	—	Development Finance Corporation	Property owners
100	5,990	100	—	Delfin Holdings	Property development and investment banking
100	177	100	—	Delfin Property Group	Real estate agents
100	10	100	—	Delfin Property Group	Land investments
100	20	100	—	Development Finance Corporation	Trustee
100	1,498	100	—	Development Finance Corporation	Investment company
100	503	100	—	Delfin Services Limited	Underwriting services
100	478	100	—	Delfin Services Limited	Share trading
100	#	100	—	AFT Investor Services	Nominee
100	#	—	—	AFT Investor Services	Property development
100	903	100	—	Development Finance Corporation	Investment banking
100	1	100	—	West Lakes	Land investment
100	166	100	—	AFT Investor Services	Investment company
100	#	100	—	AFT Investor Services	Nominee
100	#	100	—	Delfin Holdings	Investment in corporate securities
100	200	100	—	AFT Investor Services	Trustee for retirement funds
100	9,723	100	—	Delfin Property Group	Land development and investment
100	#	—	—	AFT Investor Services	Property investment
100	#	—	—	AFT Investor Services	Property investment
100	#	—	—	AFT Investor Services	Property investment
100	#	—	—	AFT Investor Services	Property investment
100	#	—	—	AFT Investor Services	Property investment
100	369,473	100	369,473	ANZ Banking Group	Hire purchase, lease, instalment and general finance facilities
100	500	—	—	FCA Finance	Property developers
100	#	—	—	FCA Finance	Agent and trustee
100	#	100	—	FCA Finance	Custodian, trustee and nominee
100	#	100	—	Esanda Finance Corporation	Lease finance facilities
100	#	100	—	Esanda Finance Corporation	Wholesale finance for motor vehicles
100	537	100	—	FCA Finance	Lease finance facilities
100	520	100	—	Finance Corporation of Australia	Real estate development and finance facilities
100	75,021	100	—	Esanda Finance Corporation	Real estate, leasing and general finance facilities
100	#	100	—	FCA Finance	Non-operative
100	#	100	—	FCA Finance	Beneficiary of land development partnership
100	#	100	—	FCA Finance	Agent and trustee
100	232	100	—	Finance Corporation of Australia	Guarantor corporation
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	—	ESS&A Holdings	Property owning company
100	48,288	100	48,288	ANZ Banking Group	Life assurance
100	200	100	—	Greater Pacific Life	Financial planning services
100	#	100	—	Greater Pacific Life	Investment company
100	#	100	—	Greater Pacific Life	Trustee company
100	200	100	—	Greater Pacific Life	Marketing and administration of disability insurance
100	750	100	—	Greater Pacific Life	Marketing and administration of insurance bonds
100	28,693	—	—	ANZ Banking Group	Holding company
100	#	—	—	Landisa Investments	Merchant banking
100	#	—	—	Landisa Investments	Insurance company
100	335	100	353	ANZ Banking Group	Financing of companies
54	415	54	—	ANZ Investments	Trustee, corporate and financial services
100	850	100	850	ANZ Banking Group	Futures trader

Amounts under \$500

Notes to the Accounts continued

Subsidiary Companies and Group Interests continued	Incorporated in	Principal areas of operations	Issued capital	Contribution to group result \$'000	
				1987	1986
* <i>McCaughan Dyson Holdings Limited</i>	Australia	Australia	5,002,000 shares of \$1	—	—
* McCaughan Dyson & Co. Limited	Australia	Australia	5,000,000 shares of \$1	1,698	—
* McCaughan Dyson International Holdings B.V.	Netherlands	Netherlands	250,000 NGL	—	—
* McCaughan Dyson & Co. (UK) Limited	England	England	25,002 shares of £1	—	—
* McCaughan Dyson Nederlands B.V.	Netherlands	Netherlands	250,000 NGL	—	—
§ ANZ Securities (USA) Inc.	USA	USA	150,000 shares of US\$1	—	—
§ Bow Lane Nominees Pty Limited	Australia	Australia	2 shares of \$1	—	—
§ Kite Nominees Pty Limited	Australia	Australia	2 shares of \$1	—	—
§ Snipe Nominees (1981) Pty Limited	Australia	Australia	2 shares of \$1	—	—
§ Teal Nominees Pty Limited	Australia	Australia	2 shares of \$1	—	—
§ Second Mady Services Pty Limited	Australia	Australia	4 shares of \$1	—	—
* Melbourne Safe Deposit Pty Limited	Australia	Australia	29,000 shares of \$1	4	33
* Nepean International Travel Pty Limited	Australia	Australia	30,000 shares of \$1	13	15
* No 3 Hoyle Ave Limited	Australia	Australia	16 shares of \$1	—	—
Weelya Pty Limited	Australia	Australia	2 shares of \$1	—	—
* Yarraga Pty Limited	Australia	Australia	2 shares of \$1	—	—
Zan Investments Limited	Singapore	Singapore	31,544 redeemable pref shares of SG\$1	(2)	(2)
Companies sold or liquidated				7,981	3,112
Adjustment on Consolidation				3	380
				385,153	315,422

§ Audited by overseas Klynveld Peat Marwick Goerdeler firms * Audited by firms other than members Klynveld Peat Marwick Goerdeler
 ° Debts of these subsidiaries guaranteed by the Holding Company in terms of the National Companies and Securities Commission Class Order dated 22 April 1986 relieving wholly owned subsidiaries from compliance with certain sections of the Companies Code relating to preparation of audited accounts.

	Incorporated in	Principal areas of operations	Issued capital	Group Interest %
Associated Companies (Share or voting interests between 20% and 50%)				
AFT-Woolworths Realty Pty Limited	Australia	Australia	100,000 shares of \$1	50
Amalgamated Finance Limited	New Zealand	New Zealand	10,000 shares of NZ \$2	50
Asian International Merchant Bankers Berhad	Malaysia	Malaysia	5,000,000 shares of M\$1	27.5
Australian Holdings Limited	England	England	10,000 shares of £1	25
Australian Resources Development Bank Limited	Australia	Australia	11,088 shares of \$1,000	25
Balfour Brands Forest Products Limited	England	England	50,000 shares of £1	45
Beneficial Acceptance Limited	Vanuatu	Vanuatu	2 shares of \$1	50
Cambridge Capital Limited	England	England	599,750 shares of £.50	41.7
Charge Card Services Limited	Australia	Australia	80,010 shares of \$1	20
Computation Unit Trust	Australia	Australia	2,985,718 units	27.6
CRC Unit Trust	Australia	Australia	19,808,240 units	20.1
CRM Management Ltd	Australia	Australia	50,000 units	25
Daiwa ANZ International Limited	Australia	Australia	10,000,000 shares of \$1	50
Development Capital of Australia	Australia	Australia	20,771 shares of 50¢	40
Databank Systems Limited	New Zealand	New Zealand	200,000 shares of NZ \$1	20
Distaga Pty Limited	Australia	Australia	2 shares of \$1	50
Fifty Seven Willis Street Limited	New Zealand	New Zealand	6,560,100 shares of NZ \$1	15.4
Grindlays Bahrain Bank	Bahrain	Bahrain	3,000,000 shares of BD1	40
Grindlays Henderson Management Limited	Jersey	Jersey	25,000 shares of £1	50
Grindlays Merchant Bank of Nigeria Limited	Nigeria	Nigeria	3,000,000 shares of ₦1	40
Harare Board of Executors (Private) Limited	Zimbabwe	Zimbabwe	600 shares of Z\$1	33.33
Jaybro Investments Pty. Limited	Australia	Australia	840,000 shares of \$1	35.7
LYC-AFT Securities Limited	Singapore	International	500,000 shares of \$1	50
Malcha Properties Limited	India	India	1,000 shares of Rs100	50
Merchant Bank (Ghana) Limited	Ghana	Ghana	2,000,000 shares of Cedi 1	30
Milac Pty Limited	Australia	Australia	2 shares of \$1	50
Nabiac Farm Pty Limited	Australia	Australia	1,150,000 shares of \$1	30
Nepal Grindlay Bank Limited	Nepal	Nepal	300,000 shares of N.Rs 100	50
New Zealand Bankcard Associates Limited	New Zealand	New Zealand	30,000 shares of NZ \$1	33.3
Overland Agencies Pty Limited	Australia	Australia	16,000 shares of \$2	50
Pacific Corporate Services Pty Limited	Australia	South Pacific	149,800 shares of \$1	42.3
Reading & West	England	England	100 shares of £1	40
Rosignol Development Corporation	Panama	Panama	1,000 shares of US\$1	50
South Pacific Investment Corp. Limited	Australia	South Pacific	3,750,000 shares of \$1 paid to 20¢	20
Television Australia-Satellite Systems Limited	Australia	Australia	1,146,191 shares of \$1	21.2
Von Seidel Grindlays Trust Company Limited	Zimbabwe	Zimbabwe	60,000 shares of Z\$1	35
Von Seidel Nominee Company	Zimbabwe	Zimbabwe	300 shares of Z\$1	35

	Beneficial interest and book value		Held by		Nature of business
	%	\$'000	%	\$'000	
	1987		1986		
100	13,209	—	—	ANZ Banking Group	Stockbroking holding company
100	5,000	—	—	McCaughan Dyson Holdings	Stockbroking
100	184	—	—	McCaughan Dyson & Co.	Holding company
100	57	—	—	McCaughan Dyson International	Service company
100	169	—	—	McCaughan Dyson International	Stockbroking
100	107	—	—	McCaughan Dyson International	Stockbroking
100	#	—	—	McCaughan Dyson & Co	Non-operative
100	#	—	—	McCaughan Dyson & Co	Non-operative
100	#	—	—	McCaughan Dyson & Co	Non-operative
100	#	—	—	McCaughan Dyson & Co	Non-operative
100	29	100	29	ANZ Banking Group	Holding company for subsidiary company shares
100	105	100	105	ANZ Banking Group	Travel services
100	#	100	#	ANZ Banking Group	Property leasing
100	#	100	#	ANZ Properties (Australia)	Property owning company
100	#	100	#	ANZ Banking Group	Trustee of staff pension fund
100	128,900	100	200,000	ANZ Banking Group	Investment company
	(1,190,074)		—		
	1,646,215 †		1,593,987 †		

Amounts under \$500

† Holding Company book value of shares in subsidiary companies

Book Value of Investment 1987	Dividend Received 1987	Held by	Nature of business
50	—	AFT	Marketing and management of property unit trust
40	—	UDC Group Holdings	Hire purchase finance
526	59	Grindlays Industrial Holdings	Banking
#	—	Grindlays Bank	Non-operative
2,922	—	ANZ Banking Group	Financing development of Australia's natural resources
#	—	Wm. Brandt (Timber)	Timber and sheet material agent
4	—	ANZ Bank (Vanuatu)	Holding company
#	—	ANZ Merchant Bank	Corporate finance advice
290	—	ANZ Banking Group	Service company for administration and provision of bank charge cards
952	—	Belobek	Marketing of computer software
4,783	—	Sandomir	Manufacturing of continuous stationery
#	—	Sandomir	Marketing of continuous stationery
2,500	—	ANZ Banking Group	Japanese and Australian securities operations
3,700	—	Delfin Holdings	Investment banking
155	—	ANZ Banking Group (NZ)	Nationwide computer network
#	—	Sandomir	Trustee of unit trust manufacturing and distributing computer products
1,005	—	ANZ Banking Group (NZ)	Property owning company
#	—	Grindlays Bank	Banking
#	—	Grindlays Bank (Jersey)	Investment management
2,389	—	ANZ Holdings (UK)	Banking
#	—	Grindlays Bank	Management of trusts and deceased estates
100	—	Delfin Holdings	Polythene products manufacturer
#	—	AFT	Marketing and management of unit trusts
7	—	Grindlays Bank	Property management
269	—	Grindlays Industrial Holdings	Banking
#	—	Sandomir	Trustee of unit trust marketing computer products
195	—	Delfin Management Services	Rural property owners and farming
1,150	—	Grindlays Bank	Banking
31	—	ANZ Banking Group (NZ)	Servicing company for administration of charge card services
16	—	Delfin Holdings	Corporate advice
63	—	Development Finance Corporation	Investment banking
#	—	ANZ Merchant Bank	Capital management
#	—	Grindlay Brands AG	Tanker chartering and name protection
450	—	Delfin Holdings	Investment banking
7	—	Delfin Holdings	Development of satellite TV broadcasting systems
18	—	Grindlays Bank	Investment and trust company
#	—	Grindlays Bank	Nominee company

Amounts under \$500

Directors' Statement

Statement by the Directors

In the opinion of the directors of Australia and New Zealand Banking Group Limited the accompanying accounts of the Company and its subsidiaries are properly drawn up in accordance with the provisions of the Companies (Victoria) Code in the manner authorised for a prescribed corporation being a banking corporation and on this basis:

- (i) the accompanying profit and loss statements are drawn up so as to give a true and fair view of the profit of the Company and its subsidiaries for the year ended 30 September, 1987.
- (ii) the accompanying balance sheets are drawn up so as to give a true and fair view of the state of affairs of the Company and its subsidiaries as at 30 September 1987.
- (iii) are in accordance with applicable approved accounting standards.

It is also the opinion of the directors that at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due and be able to meet any obligations or liabilities that may arise from any guarantees or undertakings given to certain subsidiaries specified in Note 30 in terms of a National Companies and Securities Commission class order dated 22 April 1986.

Dated at Melbourne this 30th day of November, 1987.

Signed in accordance with a resolution of the directors.

W. J. Vines *Chairman*

W. J. Bailey *Group Managing Director*

Auditors' Report

To the Members of Australia and New Zealand Banking Group Limited

We have audited the accounts set out on pages 4 to 28 in accordance with Australian Auditing Standards.

In our opinion:

the accounts are properly drawn up in accordance with the provisions of the Companies (Victoria) Code in the manner authorised for a prescribed corporation being a banking corporation and on this basis:

- (i) so as to give a true and fair view of the state of affairs of the Company and of the Group as at 30 September 1987 and the profit of the Company and the Group for the year ended on that date so far as they concern members of the Company and the other matters required by Section 269 of that Code to be dealt with in the accounts and in group accounts; and
- (ii) are in accordance with applicable approved accounting standards and with Australian accounting standards apart from the disclosure in note 1 with which departure we agree for the reasons therein stated.

Note 30 to the accounts on pages 18 to 27 discloses the subsidiaries of which we have acted as auditors, distinguishing those which are the subject of a class order by the National Companies and Securities Commission granting relief from the requirement of the relevant Companies Codes that their accounts be audited. The names of the subsidiaries of which we have not acted as auditors are also identified in Note 30. We have examined their accounts and the auditor's reports thereon.

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 Hungerfords
Chartered Accountants

P. M. Burroughs *Partner*

Melbourne
30th November, 1987

Australia and New Zealand Savings Bank Limited

Summary of the Audited Accounts* as at 30 September, 1987

Balance Sheet

as at 30 September, 1987

	1987 \$'000	1986 \$'000
Assets		
Cash	238	25
Deposits with Australia and New Zealand Banking Group Limited	5,862	—
Investments	1,235,992	1,309,831
Balances due by other banks	500	1,300
Loans less provisions for doubtful debts	4,393,025	3,411,795
Shares in subsidiary	5,000	5,000
Other assets	29,231	35,265
Total Assets	5,669,848	4,763,216
Liabilities		
Deposits	5,216,578	4,363,551
Deposits in Australia by Australia and New Zealand Banking Group Limited	—	12,898
Proposed dividend	21,000	—
Provision for income tax	14,949	6,291
Bills payable, other provisions and other liabilities	179,637	164,893
Total Liabilities	5,432,164	4,547,633
Net Assets	237,684	215,583
Shareholders' funds		
Issued capital: 7,500,000 ordinary shares of \$1 each, fully paid	7,500	7,500
Reserves	117,887	118,084
Retained profits	112,297	89,999
Total Shareholders' Funds	237,684	215,583

* Abridged format for information purposes only.

Profit and Loss Account

for the year ended 30 September, 1987

	1987 \$'000	1986 \$'000
Interest received, fee and other income	739,818	548,899
Expenses of management and interest paid	654,943	473,666
Operating profit for year	84,875	75,233
Income tax expense	41,577	34,171
Operating profit after income tax	43,298	41,062
Extraordinary items after income tax	—	(1,186)
Operating profit and extraordinary items after income tax	43,298	39,876
Retained profits at beginning of year	89,999	64,723
Total available for appropriation	133,297	104,599
Dividends provided for or paid	21,000	14,600
Retained profits at end of year	112,297	89,999

Esanda Finance Corporation Limited

Summary of the Audited Accounts* as at 30 September, 1987

Balance Sheet

as at 30 September, 1987

	1987 \$'000	1986 \$'000
Current Assets		
Cash	40,135	12,800
Receivables	1,698,914	1,460,293
Investments	8,000	8,000
Other	48,972	45,232
Total Current Assets	1,796,021	1,526,325
Non-Current Assets		
Receivables	2,328,977	2,335,831
Investments	7,003	10,000
Property, plant and equipment	58,880	52,561
Other	21,370	15,879
Total Non-Current Assets	2,416,230	2,414,271
Total Assets	4,212,251	3,940,596
Current Liabilities		
Borrowings	1,606,665	1,750,433
Provisions	33,792	—
Other	353,295	131,023
Total Current Liabilities	1,993,752	1,881,456
Non-Current Liabilities		
Borrowings	1,647,612	1,551,573
Provisions	137,479	111,817
Total Non-Current Liabilities	1,785,091	1,663,390
Total Liabilities	3,778,843	3,544,846
Net Assets	433,408	395,750
Shareholders' funds		
Share capital	165,000	165,000
Reserves	112,660	112,660
Retained profits	155,748	118,090
Total Shareholders' Funds	433,408	395,750

Profit and Loss Account

for the year ended 30 September, 1987

	1987 \$'000	1986 \$'000
Interest received, fee and other income	744,615	663,835
Expenses of management and interest paid	624,408	573,006
Operating profit for year	120,207	90,829
Income tax expense	59,509	40,544
Operating profit after income tax	60,698	50,285
Extraordinary items after income tax	(4,840)	(6,808)
Operating profit and extraordinary items after income tax	55,858	43,477
Retained profits at beginning of year	118,090	91,813
Total available for appropriation	173,948	135,290
Dividends provided for or paid	18,200	17,200
Retained profits at end of year	155,748	118,090

* Abridged format for information purposes only.

ANZ Banking Group (New Zealand) Limited

Summary of the Audited Accounts* as at 30 September, 1987

Balance Sheet

as at 30 September, 1987

	1987 NZ\$'000	1986 NZ\$'000
Assets		
Cash and short term funds	325,188	143,218
New Zealand Government, local authority securities and other investments	1,730,071	1,451,114
Cheques in course of collection and balances with other banks	400,624	115,213
Loans and advances	4,162,401	3,451,224
Bills receivable and remittances in transit	141,556	123,471
Acceptances of customers	866,630	380,464
Premises and equipment	144,013	141,675
Investment in associated companies	1,297	15,168
Loans to associated companies	14,589	10,734
All other assets	69,802	53,451
Total Assets	7,856,171	5,885,732
Liabilities		
Deposits and borrowings	5,911,227	4,395,766
Proposed dividend	56,086	—
Provision for taxation	46,959	50,982
Due to other banks	334,377	161,757
Bank acceptances	866,630	380,464
Bills payable, other provisions and other liabilities	270,964	533,049
Total Liabilities	7,486,243	5,522,018
Net Assets	369,928	363,714
Shareholders' funds		
Issued capital	117,287	117,278
Reserves	149,330	149,932
Retained profits	103,311	96,504
Total Shareholders' Funds	369,928	363,714

* Abridged format for information purposes only.

Profit and Loss Account

for the year ended 30 September, 1987

	1987 NZ\$'000	1986 NZ\$'000
Interest received, fee and other income	1,244,436	939,716
Expenses of management and interest paid	1,062,440	769,998
Operating profit for year	181,996	169,718
Income tax expense	78,027	81,943
Operating profit after income tax	103,969	87,775
Minority interest	—	178
Operating profit after income tax and minorities	103,969	87,953
Extraordinary items after income tax	7,797	994
Operating profit and extraordinary items after income tax	111,766	88,947
Retained profits at beginning of year	96,504	32,323
Total available for appropriation	208,270	121,270
Transfer to reserves	1,059	10,738
Dividends provided for or paid	103,900	14,028
Retained profits at end of year	103,311	96,504

Balance Sheet

as at 30 September, 1987

	1987 £'000	1986 £'000
Assets		
Cash and short term funds	1,213,446	1,208,227
Term deposits with banks and public bodies	63,503	96,881
Investments	424,561	442,800
Loans and advances	2,268,986	2,748,127
Acceptances of customers	321,304	359,389
Shares in associated companies	4,913	4,738
Premises and equipment	112,446	96,043
Total Assets	4,409,159	4,956,205
Liabilities		
Current deposits and other accounts	3,643,942	4,264,810
Bank acceptances	321,304	359,389
Provision for taxation	15,583	10,252
Total Liabilities	3,980,829	4,634,451
Net Assets	428,330	321,754
Shareholders' funds		
Issued capital	41,651	16,651
Reserves	199,148	162,166
	240,799	178,817
Minority shareholders' interest	1,067	1,323
Loan capital	186,464	141,614
Total Shareholders' Funds	428,330	321,754

Profit and Loss Account

for the year ended 30 September, 1987

	1987 £'000	1986 £'000
Interest received, fee and other income	500,965	519,964
Expenses of management and interest paid	481,844	505,843
Operating profit for year	19,121	14,121
Income tax expense	19,943	10,895
Operating profit after income tax	(822)	3,226
Minority interest	(332)	(402)
Operating profit (loss) after income tax and minorities	(1,154)	2,824
Extraordinary items after income tax	6,692	(8,509)
Operating profit (loss) and extraordinary items after income tax	5,538	(5,685)
Retained profits at beginning of year	15,538	21,223
Retained profits at end of year	21,076	15,538

* Abridged format for information purposes only, with items adjusted where appropriate to restate to an ANZ Group basis.

Analysis of Shareholdings

Twenty Largest Shareholders

As at 6 November, 1987, the twenty largest shareholders held 295,160,369 shares, which is equal to 41.9 per cent of the total issued capital of 704,844,024 shares of \$1 each. They were:

Shareholders:	No. of Shares	%
National Nominees Limited	70,174,452	10.0
ANZ Nominees Limited	36,061,520	5.1
Australian Mutual Provident Society	28,724,665	4.1
Snipe Nominees (1981) Pty. Ltd.	23,905,760	3.4
Bank of New South Wales Nominees Pty. Limited	14,436,132	2.0
Chase Nominees Limited	12,064,335	1.7
C.T.B. Nominees Limited	11,806,165	1.7
State Superannuation Board	11,038,123	1.6
ISMG Nominees Pty. Limited	10,204,563	1.4
The National Mutual Life Association of Australasia Limited	9,982,018	1.4
The Colonial Mutual Life Assurance Society Limited	8,852,686	1.3
MLC Life Limited	7,937,190	1.1
Indosuez Nominees Pty. Limited	7,585,037	1.1
Pearl Assurance Public Limited Company	7,465,987	1.1
Superannuation Fund Investment Trust	7,025,274	1.0
Stuparts Limited	6,125,778	0.9
Pendal Nominees Pty. Ltd.	5,953,200	0.8
Government Insurance Office of New South Wales	5,500,668	0.8
State Electricity Commission of Victoria	5,214,966	0.7
Lightning Nominees Pty. Ltd.	5,101,850	0.7
	<u>295,160,369</u>	<u>41.9</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 as at 30th November, 1987		Non-beneficial as at 30th November, 1987
	Fully-Paid Shares	Partly-Paid Shares#	
Sir William Vines	21,833	—	—
W. J. Bailey	92,631	50,000	—
M. D. Bridgland	16,892	—	—
Sir Roderick Carnegie	53,077	—	5,077
J. C. Dahlsen	19,500	—	—
D. C. L. Gibbs	30,775	—	—
J. B. Gough	1,539	—	—
C. J. Harper	1,894	—	—
W. J. Holcroft	22,988	—	—
Dame Leonie Kramer	1,539	—	—
Sir Laurence Muir	33,755	—	—
R. A. D. Nicolson	74,256	40,000	—
L. M. Papps	21,231	—	68,598
B. W. Scott	1,539	—	—
	<u>393,449</u>	<u>90,000</u>	<u>73,675</u>

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

Average Size of Shareholdings

As at 6 November, 1987 the average size of shareholdings was 10,752 (1986, 7,614).

Distribution of Shareholdings

Range	Number of holders	% of holders	Number of shares 000's	% of shares
1 to 1,000 shares	22,772	34.7	11,533	1.6
1,001 to 5,000 shares	31,600	48.2	75,090	10.7
5,001 to 10,000 shares	6,528	10.0	44,678	6.3
Over 10,000 shares	4,652	7.1	573,543	81.4
	<u>65,552</u>	<u>100.0</u>	<u>704,844</u>	<u>100.0</u>
Category of shareholder				
Men	24,879	37.9	75,925	10.8
Women	26,265	40.1	73,026	10.4
Joint accounts (Individuals)	6,135	9.4	21,788	3.1
Banks and insurance companies	804	1.2	106,320	15.1
Trustee companies	480	0.7	15,422	2.2
Pension funds	68	0.1	22,567	3.2
Nominee companies	1,088	1.7	258,447	36.6
Other	5,833	8.9	131,349	18.6
	<u>65,552</u>	<u>100.0</u>	<u>704,844</u>	<u>100.0</u>

Holdings of non-marketable parcels

As at 6 November, 1987, shareholdings of less than a marketable parcel (1 share to 99 shares) totalled 1,733 (1986, 1,492), which is equal to 2.6% of the total number of shareholdings.

