

A photograph of a bank building entrance. The building is made of dark stone or brick. A sign is mounted on the wall above a set of stairs. The sign features a stylized logo consisting of several blue triangles of varying sizes arranged in a fan-like pattern, with the word "BANK" in bold, black, sans-serif capital letters below it. The photograph is taken from a low angle, looking up at the entrance. The lighting is somewhat dim, and the overall color palette is dominated by the dark tones of the building and the blue of the logo.

BANK

REPORT AND ACCOUNTS 1971

**AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED**



**AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED**

INCORPORATING ANZ BANK AND ESEA BANK

Incorporated in England

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**AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED**

NOTICE OF MEETING

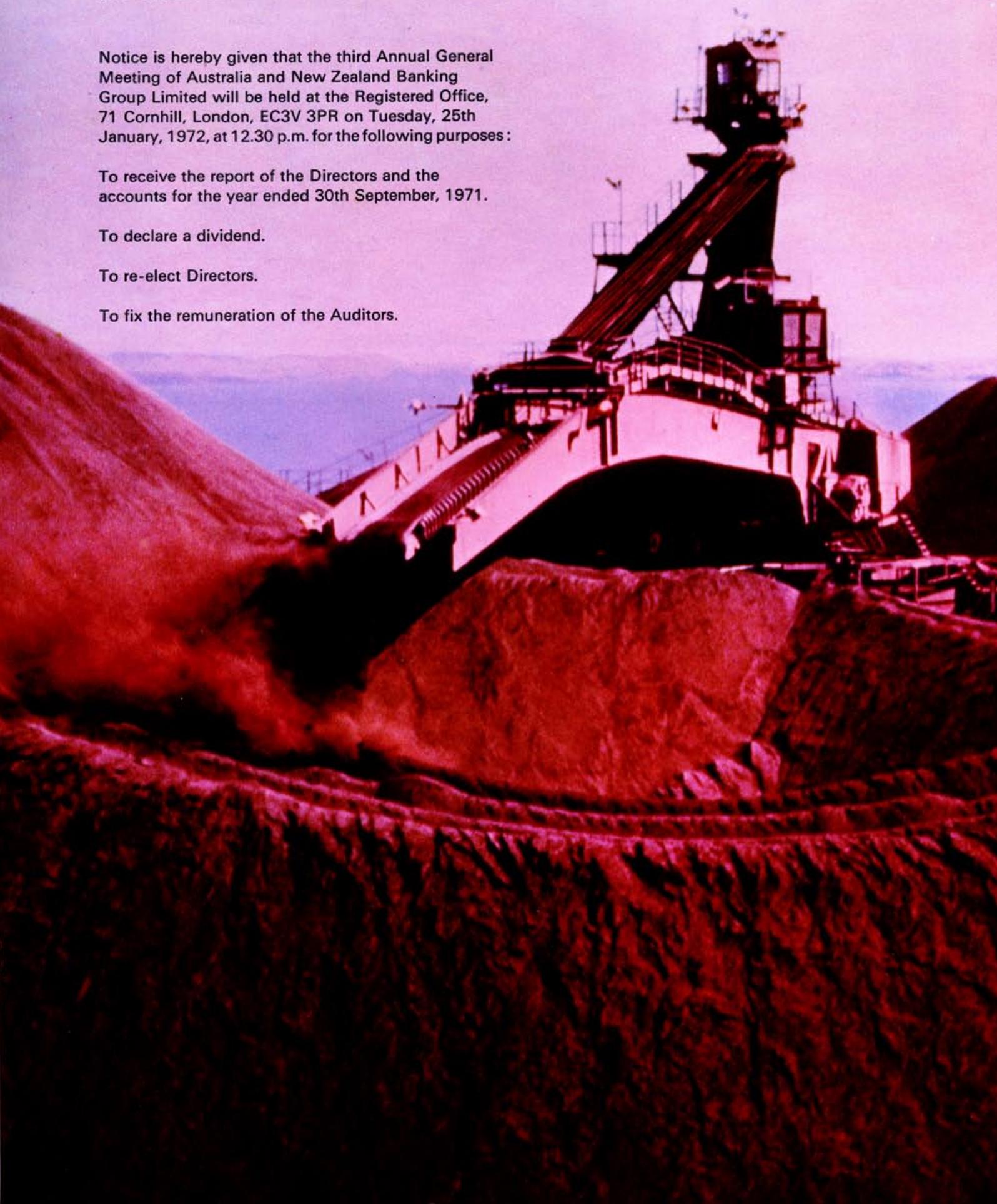
Notice is hereby given that the third Annual General Meeting of Australia and New Zealand Banking Group Limited will be held at the Registered Office, 71 Cornhill, London, EC3V 3PR on Tuesday, 25th January, 1972, at 12.30 p.m. for the following purposes:

To receive the report of the Directors and the accounts for the year ended 30th September, 1971.

To declare a dividend.

To re-elect Directors.

To fix the remuneration of the Auditors.



Notice of Meeting Continued

Special notice has been given to the Company that a resolution will be proposed at the Meeting for the re-election of Sir Geoffrey Gibbs, who at the date of the Meeting will be aged 70 years.

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

By Order of the Board,
J. W. Agate, Secretary,
71 Cornhill,
London, EC3V 3PR,
29th December, 1971.

Iron ore stockpile at Dampier, Western Australia.

Information for Shareholders

The following are available for inspection at the Registered Office of the Company, 71 Cornhill, London, EC3 during normal business hours on any weekday (Saturdays excluded) from the date of the Notice of Meeting until the conclusion of the Annual General Meeting:

Register of Directors' share interests in the Company.

Copies of Directors' contracts of service with the Company.



**AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED**

BOARD OF DIRECTORS

Chairman
Sir Alexander Ross

Deputy Chairmen
The Right Hon.Viscount Hampden
Angus Mackinnon,D.S.O.,M.C.

Sir Donald F.Anderson

The Hon.E.L.Baillieu

The Right Hon.Viscount Bridgeman,
K.B.E.,C.B.,D.S.O.,M.C.

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

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

R.E.B.Lloyd

A.D.Marris,C.M.G.

Colonel A.T.Maxwell,T.D.

P.E.Nesbitt,D.S.O.

The Right Hon.Lord Remnant

C.H.Rennie Chief General Manager

R.T.Renton

D.J.Robarts

H.McE.Scambler Managing Director

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

R.C.Wheeler-Bennett Executive Director

Registered Office
71 Cornhill, London, EC3V 3PR

Secretary
J.W.Agate

SENIOR MANAGEMENT

Managing Director
H.McE.Scambler

Chief General Manager
C.H.Rennie

General Managers
R.A.Orpwood

J.Jennings

E.Arundel

Assistant General Managers
M.Brunckhorst

T.F.Davies

A.G.Kilpatrick

G.W.Kimber

J.C.Macvean

D.H.Merry

W.H.Simon

P.B.Sinnott

K.H.C.Swan

K.O.Wilks

G.B.Willcocks

Chief Manager for New Zealand
T.M.Williamson

Chief Manager (U.K. and Europe)
R.J.Sutton

For location of Senior Management
refer to pages 40 and 41.



REPORT OF THE DIRECTORS

**AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED**

The Directors present their report for the Company together with the balance sheet, consolidated balance sheet and the consolidated profit and loss account for the year ended 30th September, 1971. The accounts of the principal subsidiaries are appended for information.

Results

The consolidated profit of the Company and its subsidiaries, on the basis described in the consolidated profit and loss account on page 23, was £6,362,000. After deducting amounts totalling £2,518,000 retained by subsidiaries and adding the balance of £3,536,000 brought forward by the Company, a total of £7,380,000 became available for appropriation. Of this amount £750,000 has been transferred to the reserve fund of the Company.

Dividends

An interim dividend of 5 per cent was paid on 12th July, 1971, and the Directors now recommend payment of a final dividend of 5 per cent, making a total distribution of 10 per cent for the year.

The final dividend of 5 per cent will, if approved, be paid on 26th January, 1972, to those members registered in the books of the Company at the close of business on 17th December, 1971. The dividend will be paid less United Kingdom Income Tax at the rate of 38.75 per cent, except that withholding tax at the reduced rate of 15 per cent will be deducted in the case of shareholders resident in Australia and New Zealand who participate in the special arrangements for the Australian and New Zealand branch registers.

I.A.C. (Holdings) Limited

During the year the Company agreed to sell the 21.7 per cent interest in I.A.C. (Holdings) Limited: further details regarding the sale are given in the Statement by the Chairman on page 10 and in the Notes on the Accounts on page 28.

Directorate

The names of the Directors as at 30th September, 1971, appear on page 4. All were Directors of the Company for the whole of the year under review and no other person served as a Director during that period.

The Board appointed Mr. Angus Mackinnon to be a Deputy Chairman as from 1st September, 1971, in place of Mr. R. E. B. Lloyd, who resigned from that office because of increased outside commitments but who retains his seat on the Board. Mr. Lloyd served with distinction as a Deputy Chairman from the Company's formation in 1969 and prior to that as Deputy Chairman of Australia and New Zealand Bank Limited from 1965.

The following Directors retire by rotation at the Annual General Meeting, in accordance with the Articles of Association :

Sir Alexander Ross
Sir Donald F. Anderson
Mr. R. E. B. Lloyd
Mr. A. D. Marris
Mr. R. H. Senior
Mr. R. C. Wheeler-Bennett

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

The Hon. Sir Geoffrey C. Gibbs retires at the Annual General Meeting as he has reached the age of 70 years: the Company has received special notice of a resolution for the re-election of Sir Geoffrey Gibbs as a Director.

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

Sir Alexander Ross joined the Board of Australia and New Zealand Bank Limited in 1966 and became Chairman of the Company in June, 1970. His other directorships include United Dominions Trust Limited, of which company he is Chairman, and Eagle Star Insurance Company Limited.

Sir Donald Anderson was a Director of Australia and New Zealand Bank Limited from its formation in 1951 and was previously a Director of Bank of Australasia from 1936. His other directorships include National Westminster Bank Limited and Times Newspapers Limited.

Sir Geoffrey Gibbs became a Director of Bank of Australasia in 1936 and was subsequently Chairman of that bank and, later, of Australia and New Zealand Bank Limited. Other directorships include Antony Gibbs and Sons Limited and Union Discount Company of London Limited.

Mr. R. E. B. Lloyd, whose services as a Deputy Chairman are referred to above, was a Director of Australia and New Zealand Bank Limited from 1961. He is a Director and Chief Executive of Williams and Glyn's Bank Limited and is also on the Boards of Legal and General Assurance Society Limited and The Peninsular and Oriental Steam Navigation Company.

Mr. A. D. Marris joined the Board of The English, Scottish and Australian Bank, Limited in 1950. Other directorships include Barclays Bank Limited, Lazard Brothers and Company Limited, Commercial Union Assurance Company Limited and The Peninsular and Oriental Steam Navigation Company.

Mr. R. H. Senior was a Director of Australia and New Zealand Bank Limited from 1951 and had previously been a Director of Bank of Australasia from 1948. His other directorships include Phoenix Assurance Company, Limited and Senior Engineering Group Limited.

Mr. R. C. Wheeler-Bennett, Executive Director, has occupied that office since the Company's formation in 1969 and was Executive Director of Australia and New Zealand Bank Limited from 1967.

Directors' Share Interests

The respective holdings, beneficial and otherwise, in the share capital of the Company are detailed with the analysis of shareholdings on page 44.

Personnel

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

	Number of Employees	Aggregate Remuneration
Overseas	18,824	£32,786,713
United Kingdom	959	£1,828,818

Donations

During the year the Company made charitable donations in the United Kingdom totalling £1,162.

Activities

Australia and New Zealand Banking Group Limited was formed in 1969 by the merger of Australia and New Zealand Bank Limited and The English, Scottish and Australian Bank, Limited and, through its antecedents, has operated in Australia since 1828 and in New Zealand since 1840.

The Company is engaged in the business of banking and other related financial activities in Australia, New Zealand, the Pacific Area and the United Kingdom and in international banking business generally. Details of subsidiary and associated companies and trade investments appear on pages 36 and 37 and a list of services provided is shown on pages 42 and 43.

The Company has 1,549 branches, sub-branches and agencies which are geographically located as shown below.

Location	Branches and Sub-Branches	Agencies
Australia	1,091	240
New Zealand	148	51
Pacific Islands:		
Fiji	2	4
Papua New Guinea	6	—
British Solomon Islands	1	—
New Hebrides	1	—
United Kingdom:		
London	5	—

New York:
Representative Office for North America

Tokyo:
Representative Office for Japan

Income and Corporation Taxes Act 1970

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

Auditors

The present Auditors, Messrs. Peat, Marwick, Mitchell & Co., have signified their willingness to continue in office and a resolution fixing their remuneration will be proposed at the Annual General Meeting.

By Order of the Board,
J.W. Agate, Secretary,
London,
30th November, 1971.

**AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED**

STATEMENT BY THE CHAIRMAN

Since I last addressed you, there have been significant changes in the climate in which we operate. They are: The dramatic variations in United States trade and currency policies with worldwide effects. The cost and price rises within the Australian economy which have depressed business profitability. The accelerated inflationary trends in New Zealand.

The effects of the U.S. dollar crisis on the course of world trade and monetary policies cannot be fully assessed at the date of preparation of this Report. Nevertheless, whatever is the outcome of the discussions between major nations regarding exchange parities and trading arrangements, it is apparent that the decision by the United States to "turn-around" their balance of payments deficit will have powerful effects on the trading nations of the world.

Before reviewing the accounts, I would like to refer to an exceptional transaction. Following discussions between interested parties, an agreement was made to sell all our shares in I.A.C. (Holdings) Limited to the First National City Bank, New York. The agreement provides for the transaction to be completed over a three-year period. After providing for expenses and for U.K. Corporation Tax on the capital gain arising from the sale of all the shares, a net surplus arises of \$A6,362,000, which amount has been credited to contingencies reserves. Disposal of this investment will enable us to concentrate upon the development of our wholly-owned subsidiary, Esanda Limited, whose business is integrated with that of the Bank and is conducted by Bank personnel. I am happy to say that we maintain our good relationship with I.A.C. and we continue to act as their bankers.

The Bank's Results

Our interim report upon the results for the half-year to March last intimated that the profits for the full year would be lower than for the previous year. While our major subsidiaries—Australia and New Zealand Savings Bank and Esanda—showed good increases in profits, these were more than offset by a sharp reduction in the profit of the trading bank itself and as a result our profits for the year fell materially from the peak level achieved in 1970.

You will see from the accounts that consolidated profits for the year to 30th September, 1971, were £6,362,000 a reduction of 13·4 per cent on the comparable figure for 1970. Trading bank profit was £3,844,000, compared with £5,181,000 for the previous year.

Net profit of Esanda increased over the year by 19·3 per cent to \$A4,174,000. Our Savings Bank in Australia increased its net profit by 23 per cent to \$A2,550,000 and the Savings Bank in New Zealand also showed an increase from NZ\$257,000 to NZ\$296,000.

A final dividend of 5 per cent is recommended which, together with the interim dividend of 5 per cent paid in July, maintains the total dividend for the year at 10 per cent. Transfers to published reserve funds of the Company and its subsidiaries totalled £2,949,000, leaving £4,525,000 to be carried forward in the consolidated accounts.

Monetary controls practised during the year by the authorities, both in Australia and in New Zealand, restricted our activities by reducing the rate of growth of deposits and advances and adversely affected our profitability by squeezing the margins available to us from interest paid and received. Nevertheless, we achieved growth in major revenue items and in total gross revenue but it was outweighed by larger increases in costs, some three quarters of which were in salaries, wages and other payments related to staff. The increases in salary award rates proved even larger in 1971 than in 1970 and in Australia these resulted in increases in male salary rates ranging between 12 per cent and 14 per cent and in female rates between 8 per cent and 15 per cent.

Aerial view of Sydney with the Harbour Bridge and Opera House in the background.



In the case of our bank there were special factors affecting the situation. Certain direct costs arising from the recent merger were met from contingencies reserves and thus had no influence on the results for the year to 30th September, 1971, but there were substantial indirect costs associated with the merger which had a marked impact on the year's profits.

A major element in these indirect costs arose from the fact that the integration of two large banks involved a vast amount of additional work, making it necessary to employ a higher number of staff than would have been required under usual conditions. Normal retirements and resignations should bring a net reduction in our total staff numbers in due course.

Trading Bank Business—Australia

Our total trading bank loans in Australia expanded by \$A26 million to \$A1,017 million in the year to September, 1971, compared with a rise of \$A99 million in the previous year. Trading bank deposits rose by \$A96 million to \$A1,514 million and represented 21·3 per cent of major trading banks' deposits. In the previous year, our deposits rose by \$A38 million and our share was 21·6 per cent.

The rate of growth in the money supply—our stock in trade—was restricted during the 1970–71 fiscal year as a part of official economic policy. Interest rates on Government securities were maintained at a high level in order to stimulate the public's demand, thus absorbing funds from the private sector of the economy and curtailing the flow of funds to the banking system. This reflected in a slow growth of trading bank deposits and liquidity and, consequently, bank loans expanded less rapidly than aggregate money incomes.

The slow growth in deposits is best illustrated by the level of major trading bank deposits at March, 1971, the month in which trading bank deposits and liquidity are usually at their seasonal peak under Australian conditions. In the twelve months to March, 1971, bank deposits increased by only \$A185 million, compared with a rise in the previous twelve months of \$A585 million. The restrained rate of growth persisted and the fiscal year to June, 1971, showed a gain of \$A289 million, compared with \$A346 million in the preceding twelve months.

Despite the restraint on bank credit, Australian trading banks have been required to provide a substantial volume of lending, apart from normal demands for accommodation, to meet drought and flood relief, export finance and support for the Australian Wool Commission. By April, 1971, it was recognised by the authorities that these calls would over-strain bank liquidity and, in order to enable banks to provide essential funds for business and commerce, the Statutory Reserve Deposit ratio was reduced from 9·4 per cent to 8·9 per cent.

Some minor structural changes occurred in the Australian banking system over the year. However, they provided only limited scope for the trading banks to compete more effectively with other institutions. Coinciding with the high interest rate policy, the terms on which banks were permitted to accept fixed deposits were extended to four years in December, 1970, and the maximum interest rate was raised to 6·5 per cent. This helped the banks to be somewhat more competitive with other borrowers but as it was not accompanied by an increase in permitted lending rates, banks' gross profit margins have been reduced at a time when their costs are rising sharply.

Nor have trading bank certificates of deposit provided an effective avenue of competition for available funds. They declined from \$A95 million to \$A15 million over the year to September, 1971, largely because the maximum rate which banks were permitted to pay was not competitive with other short term securities.

Since the end of the Bank's financial year, there has been a slight easing in Australia's interest rate policy. This was indicated by a reduction in the coupon rate offered by the Federal Government on its bond issue in November and a cut in the yields on Treasury Notes. It will take time to show whether these adjustments help to encourage a revival of investment and improve the general climate of business in Australia, but it is certainly a step in the right direction and leaves bank deposit rates relatively more competitive.

During the year, numerous foreign banks and associated companies established or expanded their interests through representative offices or share-holdings in merchant banks and finance companies. This reflects the opportunities available for "fringe" financial institutions at a time when restraint on bank credit has become endemic in Australia. It results in a reduction of the area of financial activities over which the central bank exercises control and creates difficulties for economic management.

Whether Government regulations should be extended to control the lending activities of these institutions is the subject of debate in Australia. It has been thought that the Federal Government did not have the legal power under its constitution to exercise such control, but a recent High Court decision is being interpreted in some quarters as establishing that the Government does in fact possess the necessary power.

To put restraints only on bank credit directs demand towards the uncontrolled institutions, with the result that credit restraint is made that much less effective and costs of credit rise. Either the banks should have greater freedom to compete, both for deposits and in their lending, or the degree of restraint on them should be lessened by exercising it more effectively over the full range of financial institutions.

Trading Bank Business—New Zealand

In New Zealand, our trading bank deposits increased from NZ\$207 million to NZ\$224 million and at the end of September, 1971, our share of trading bank deposits was 21·9 per cent. In the previous year, our deposits rose by NZ\$22 million. Lending increased during the year by NZ\$6 million to NZ\$162 million, compared with a rise of NZ\$29 million in the twelve months to September, 1970.

For the third successive year, the banking system recorded above average growth for deposits and lending, with most of the deposit growth taking the form of term deposits. A better growth rate in assets has been achieved by the banks, sufficient to arrest the downward trend in their share of all forms of institutional credit in New Zealand. Restrictions continue to limit lending, however, and there is still a long way to go before the banks' potential as efficient, low-cost suppliers of funds is realised.

In this regard, there is an expectation of early removal of some detailed controls on lending, which are cumbersome to operate, have little economic significance and frustrate efforts to tailor our services to meet customer needs. Throughout the year, discussion continued as to the form of controls which could replace the present system of direct and detailed instructions. Any change is likely further to emphasise bank competition for deposit funds and it is, of course, equally important that provision be made for at least compensating growth in revenue.

Following new legislation in New Zealand and commencing in the current year, the Bank is required to file, solely in respect of its New Zealand operations, annual accounts which comply with the provisions of the New Zealand Companies Act.

Subsidiary and Associate Companies

Savings Banks

Our Savings Bank deposits in Australia now exceed \$A748 million, an increase of 9·9 per cent for the year, and our share of the market rose to 9·4 per cent. This growth rate, which is better than the "all savings bank" average, was helped by the promotion of special purpose savings accounts, savings investment accounts and the Christmas Club.

The flow of funds for housing finance from lending institutions was at a near record level through most of the year, although a contraction in some sources was evident early in 1971 because of seasonal conditions. Demand exceeded supply in most States.

Throughout this period of heavy demand for funds our Savings Bank maintained a high rate of lending for housing. This was assisted by the change in official regulations in October, 1970, referred to in my Report last year, which reduced from 65 per cent to 60 per cent the amount of depositors' balances to be held in Government and Semi-Government securities and other liquid assets. This permitted Australian savings banks to apply more funds to housing. At 30th September, 1971, our housing loan outstandings totalled \$A244 million, an increase of \$A30 million over the Bank's financial year. Strong loan support during the year was also afforded local and Semi-Government authorities for essential community services.

In New Zealand, the steady growth in deposits, which has been a feature of the Savings Bank there since its establishment on 1st October, 1964, was arrested during the year, mainly because of higher rates offered on alternative investments. As a result, our total deposits have declined by NZ\$0·5 million to NZ\$86 million. However, the Bank has maintained its share of private savings bank deposits at 24·4 per cent.



Esanda Limited

This wholly-owned general finance subsidiary has again shown significant growth, especially in totals of leasing contracts and consumer and business loans. Increased gross earnings from these higher levels of outstandings were partly offset by a strong increase in expenses, including increases in the cost of borrowed funds and substantial increases in salaries. The result for the year was also affected by difficult conditions in the rural sector in three States and by some non-recurring items of expenditure. However, Esanda increased its net profit for the year by 19.3 per cent to an amount of \$A4,174,000 and we expect this subsidiary to continue to make a valuable contribution to the Group's results. Additional capital of \$A2.5 million subscribed by the ANZ Banking Group at the end of the year will assist further expansion.

An increase in business from the expanded branch system resulting from the merger is becoming apparent and this trend should accelerate as more of the Bank's staff become familiar with the subsidiary's operations.

With the expectation of continued growth in the economy and in the demand for consumer and general finance, the company is well placed for further development.

U.D.C. Group Holdings Limited

Through our interest in the holding company, Endeavour Investments (New Zealand) Limited, the Bank has a 14.5 per cent interest in U.D.C. Group Holdings Limited, one of the largest finance companies in New Zealand. The company reported a consolidated net profit after tax of NZ\$415,849 for the year to March, 1971, and a dividend of 10 per cent was paid in line with that previously forecast.

Australian International Finance Corporation Limited

The formation of this merchant banking company was mentioned in my Report last year. The accounts of the company covering the first full year of operation to 30th June, 1971, showed a satisfactory profit of \$A164,901. This was achieved after writing off all establishment expenses and extinguished the trading loss (\$A21,151) which arose in the first two months of operation to 30th June, 1970.

The company is showing its ability to attract funds and to employ them profitably in its role of fostering developmental projects in Australia and neighbouring regions in the Pacific area.



Driving cattle from Karumba on the Gulf of Carpentaria to the rail head at Normanton in Queensland.

Australian Resources Development Bank Limited

We have a one-seventh share of the capital of \$A3 million of this bank, which was formed in 1967 by the major Australian trading banks to provide large term loans for companies developing mining or other natural resource projects. Some degree of Australian ownership of the borrower is a pre-requisite. The Resources Bank has been a valuable aid in enabling us through refinance loans to give substantial support to our widespread connections in Australia's important minerals industry.

The Resources Bank earned a profit of over \$A1 million for the year to 30th September, 1971, and a dividend of 10 per cent is proposed.

The Economic Scene

Australia

The Australian community as a whole continued to enjoy a high degree of prosperity during the fiscal year to June, 1971. There were, however, two disquieting factors; the fall in rural income and the persistent inflationary trend.

Subsequently, there have been the worldwide exchange rate disturbances connected with the United States moves to strengthen its balance of payments. Whatever the long term outcome of the floating exchange rates, the period of uncertainty has disturbed merchandise trade, capital movements and the international aspects of stock exchange activities.

In 1970-71, Gross National Product in real terms increased by only 3.9 per cent, compared with a rise of 5.6 per cent in 1969-70. For the second successive year, farm income fell, being about \$A260 million below that in 1969-70.

Most of the decline in rural income can be attributed to the smaller wheat crop from the reduced acreage sown, the severe fall in wool prices and a slight decline in quantity of wool produced. The wool industry is the most serious element in the rural crisis and much discussion has centred on Government financial support for the industry. The Federal Budget in August provided funds for assistance, mainly in the form of deficiency payments to ensure the growers an average return of 36 cents a pound for greasy wool. This action by the Government indicates its intention to protect the industry whilst re-organisation and rationalisation proceed.

Because of adverse seasonal conditions in some States, the wheat crop is expected to be below the national production quotas set for 1971-72 and also below the 1970-71 production. World market trends indicate that there may also be difficulty in marketing Australia's export surplus. Prices for beef have been good and many farmers have turned to beef production as their income from wheat and wool declined.

Attention is being given to the social and economic situation resulting from falling farm income, rising costs and sharply increased rural debt. The Commonwealth Government, with the States, has formulated a rural reconstruction scheme through provision of finance for debt reconstruction, amalgamation of uneconomic properties and rehabilitation assistance.

In the non-farm sector, the rate of economic progress declined slightly. Growth in civilian employment over the twelve months to June, 1971, was about 3.2 per cent, compared with 4.1 per cent in the previous year. This was reflected in the level of activity in major sectors of business and in consumer spending.

The important factory sector failed to maintain the rate of growth of output recorded in previous years, although there have been signs of improvement in production since mid-1971. An important feature of the sluggish growth of turnover is that business has found it more difficult to absorb rising costs than previously, when turnovers were buoyant, thus aggravating the effects of inflation and squeezing business profits.

In 1970-71, the level of house building was near the level of the previous year but the number of flats built declined sharply. Non-dwelling construction was exceptionally buoyant in 1970-71, with rapid growth of expenditure on office buildings and other projects, especially those related to mining. However, during the latter part of the year approvals for this larger type of construction were showing signs of declining, suggesting that the rapid growth cannot be expected to continue into 1972.

Trends in share prices in Australia have been both a cause and an effect of economic uncertainty. The ordinary share price indices have declined and this can be attributed to such factors as the contraction in rural income, slower growth of other sectors of business, disappointment with the performance of many mining companies together with the recent international events affecting exchange rates and capital movements. In turn, the depressed psychology of the market would have discouraged some companies from raising more capital and generally moderated business expectations.

Balance of Payments

A good balance of payments surplus has supported Australia's economic expansion in recent years and this has moderated some of the pressures on bank liquidity. The strong rise in the country's international reserves in the twelve months to June, 1971, was augmented by the allocation of a further \$A63.5 million Special Drawing Rights from the I.M.F. in January, 1971. The large trade surplus during the year was the result of buoyant sales of mine products and manufactures, which are continuing into the current year. Total rural exports declined slightly, the drop in receipts from wool being partly offset by higher earnings from wheat, meat and sugar. For the current year, export receipts from rural products may fall further, largely because wool prices are not yet showing any recovery.

Due to a need for development capital, a continuing feature of the Australian balance of payments is the heavy capital inflow from overseas. This reached a record level in the fiscal year 1970-71, when the private component was about \$A1,450 million, some of which was probably motivated by interest rate differentials. The high domestic interest rates and the restraints on bank credit resulted in large sums of Euro-currencies flowing into Australia. The flow was also stimulated by the Government's guideline regulations, which restrict borrowings of foreign owned companies in the Australian market, and by the amendments to withholding tax regulations.

Britain and the European Economic Community

Britain's decision to enter the E.E.C. brought home to Australian farmers the imminence of the change in Britain's treatment of their produce offered for sale to Britain, and the direct impact on prospects for particular products. Fortunately, it seems that the items most likely to be affected represent no more than 5 per cent of Australia's total exports. Australia's important exports of dairy produce and fruit to Britain could be reduced from 1973, while sugar sales may have to be adjusted after a transitional period. Indications are that the effects on wheat and meat may not be serious. Sales of wool and mine products seem unlikely to be affected.

Inflation

The major problem in the Australian economy in 1970-71 was the continued inflationary trend—consumer prices rose by almost 6 per cent, which is about twice the rate of price increase recorded during most of the 1960s. Significant aspects of the inflation problem have been the steep rises in wage and salary payments. At the end of 1970, in the “national wage case”, the Commonwealth Arbitration Commission awarded a 6 per cent rise in wages, effective from the beginning of 1971, compared with 3 per cent a year earlier. By the June quarter 1971, average weekly earnings were 13.4 per cent higher than a year earlier. On the other hand, most indicators of the physical levels of business activity turned down, a situation similar to that which has troubled some of the world’s larger nations in recent years.

Part of the policy dilemma has been that fiscal and monetary measures, which have traditionally been appropriate to cure inflation caused by excess demand, are not necessarily effective against inflation in the cost sector when demand is not excessive. Indeed, some measures such as the raising of indirect taxes and interest rates can aggravate costs, both directly and indirectly, through further checking demand and turnovers and rendering productive capacity idle.

The Federal Budget for 1971-72 attempted to check inflationary trends by restricting community spending through raising income tax and some indirect taxes and charges. Widespread doubt was expressed about the correctness of these measures, but the Budget policy did lend itself to further official action to meet either a continued decline or an excessive surge in economic activity.

In November, official action was taken by reducing interest rates on some Government securities. Reference has already been made to this as a step towards stimulating business confidence and activity.

New Zealand

In the year under review, New Zealand suffered the most rapid inflation since the wool boom of the early 1950s. But, while money incomes were inflated, the growth in volume of production of goods and services slowed down in the latter half of 1971. Some recovery is expected by mid-1972.

The E.E.C. issue has clouded the future of the economy since 1961. However, special arrangements for United Kingdom—New Zealand trade in dairy products and assurances on sales of lamb are more favourable than many informed commentators expected, so allaying some of the worst fears and uncertainties.

Overseas Account

In the early part of 1971, the current account was in deficit but a surplus was re-established by July. This surplus is expected to be maintained for some time, given generally favourable export prospects and continuation of the higher rate of private capital inflow in recent months. Much of this inflow represented Euro-currency borrowings, which of course involve a future obligation as the borrowings have to be serviced and eventually repaid. High interest rates and tight credit are likely to persist for some time and New Zealand will probably continue to receive a net inflow of capital, at least in the immediate future. Overseas reserves were at a record NZ\$513 million at the end of July, and were still at NZ\$507 million at the end of September. Two years earlier they were NZ\$280 million.

Labour Market

Labour shortages, high turnover rates and an increase in industrial disputes were evident in the second half of 1970. Nominal wage rates increased by 24.4 per cent in the year to March, 1971, while average earnings of employees in surveyed industries rose by about 18 per cent. Consumer prices, measured by the official index, rose by 11.1 per cent in the year to September, 1971, due partly to higher import prices but mainly to the passing on of rapid increases in wage rates and other costs, including the payroll tax imposed in the 1970 Budget.

The Stabilization of Remuneration Act, enacted in March, 1971, aimed at limiting increases in all forms of remuneration to 7 per cent above a specified base rate and sought to ensure that all awards run for at least 12 months before re-negotiation. Under a price justification scheme, price rises proposed by manufacturers require prior approval and wholesale and retail mark-ups are frozen.

However, rates of wage and price increases remain high. No easy solution is apparent, despite widespread recognition of the problem and appreciation that cost increases are undermining ability to adapt to changes in external trading relations. Rising costs and tight money have tended to reduce company liquidity and the building industry has been adversely affected by a general lack of mortgage finance.



REVIEW OF OPERATIONS

The businesses and undertakings of the two former banks were transferred to the new Bank on 1st October, 1970. The operation involved over three million customers' accounts and some 1,650 offices spanning Australia, New Zealand, the Pacific Islands and London, as well as our offices in New York and Tokyo.

I am glad to tell you that the transfer of all these accounts with the many complex problems that accompanied it was effected smoothly. We made every effort to ensure that our services were not disrupted and that the merger and its ultimate benefits should be understood and accepted by customers, by staff and by the Governments and people of all countries involved. I believe that as a result the new and larger Bank has been well received by all concerned.

The new distinctive symbol which appears on the front cover of this booklet helped materially to establish our new Bank's identity.

I must now tell you something of what we have been doing in certain of the major departments to achieve the ultimate benefits of the merger and to create in our new Bank a solid foundation for future expansion.

Personnel

I begin by acknowledging with appreciation the contribution to the success of the merger made by all our staff and I must mention in particular the vital part played by branch managers and their staffs.

In the unusual circumstances of the merger, staff training has been given an even higher priority than would normally be the case because of the need to introduce many officers to new services and techniques. Full time instruction courses were conducted in all Australian States and in New Zealand, while in London, courses for the staff were held regularly throughout the year. Over one third of our staff participated in these courses. Special priority was given to the training in Esanda operations of former ANZ branch managers in Australia. Some 270 officers attended residential courses on hire purchase and general finance business and, as I mentioned earlier in this statement when commenting on Esanda's business, this will enable us to expedite the promotion of that company's business in former ANZ Bank branches.

Officers are encouraged to qualify with Bankers' Institutes and with other professional bodies in economic, accountancy and secretarial fields. Some 1,000 young officers are pursuing these studies.



Balmoral Park drive-in branch at Frankston, one of Melbourne's popular bayside suburbs.

Major Building Projects

We are planning for a new building on our site at 324 Queen Street, Brisbane, to accommodate our headquarters for Queensland and our two principal banking offices in the city which, in the meantime, we have been able to merge at 313 Queen Street.

Planning is also proceeding for a new building in Melbourne to house data processing staff and new computer equipment, while in Sydney a new building for our computer operations there was completed in June this year.

Branch Network

Merging of branches where there is duplication of our banking services was an important objective in our merger, and branches have now been combined in over 90 locations, thus implementing almost half our full programme. This rationalisation of the branch network should in due course result in a saving in operational costs but should not be seen as bringing immediate economies—in fact, initially, our costs are increased. A basic aim is to improve facilities for customers and staff and when two former branches are to be put together more is required than the transfer of staff and records to one building. The usual preliminary is the extension of one set of premises or, where neither of the old properties is suitable for the enlarged branch, the erection of new premises. Some considerable time therefore elapses before surplus properties can be sold.

As part of our rationalisation programme, we are closely studying all our points of representation in order to assess their future potential and worth within our network of branches and to identify those points where representation can no longer be justified by reason of geographical location or the restriction of business opportunities.

International

The continued expansion of the international trade of Australia, New Zealand and the Pacific Islands and the significant flow of overseas capital into those countries are aspects of particular importance from the banking point of view. We participated strongly in the expanding import trade, the diversifying export trade and the movements of capital funds.

Our Euro-currency and foreign exchange dealing in London has helped promote our international business, and the Bank's activity in the Euro-currency market has enabled us to provide substantial loans to borrowers in Australia and New Zealand who were not able to borrow locally because of monetary controls or Government borrowing guidelines.

In New York and Tokyo, our representative offices have proved most valuable in maintaining and extending our business in these major centres of international trade and finance.

In the Report made two years ago, mention was made of our intention to open a branch in Vila in the New Hebrides. The branch was opened early in 1970 and the development of our business is fully meeting our expectations. We have also taken up a 32.5 per cent interest in the Melanesia International Trust Company Limited, a company operating in Vila, which offers a wide range of trustee, corporate and financial services within the New Hebrides and elsewhere. Its progress to date has been encouraging.

Economics Department

The department is centred in Melbourne with branches in all Australian capitals, in Wellington, New Zealand and in London. Specialist research officers are available to handle enquiries from overseas and local sources concerning markets for primary, secondary and tertiary industries, trade prospects, growth rates and economic influences and forecasts. The Bank's publications on economic subjects are recognised as authoritative and are widely quoted in the news and in commercial, Governmental and academic circles. Two which deserve mention are the "Quarterly Survey", which reports and comments upon facts, trends and prospects for Australia and New Zealand, and "Business Indicators", which contains information on important economic factors, the demand for labour and factory output.

Data Processing

Computer centres in Melbourne and Sydney are now processing entries to all trading bank accounts at 214 branches in those two cities, and during 1972 the number of branches serviced will rise to over 400.

Preliminary action has been taken for the next phase, which will involve the installation of extensive new equipment to provide on-line enquiry and other improved branch services in Melbourne and Sydney. Ultimately, branches in Brisbane, Adelaide and Perth are to be similarly serviced and all capital cities linked in a cross-Australia network. This sophisticated equipment will enable the Bank to provide computer-based budget planning and control facilities as well as a variety of services for our customers.

In New Zealand, Databank Systems Limited, a company owned by the five trading banks operating there, continued to provide a comprehensive data processing service to all branches of the constituent banks throughout that country.

The use of our computer installation in London has been further developed during the past year and a wide range of accounting and other processes is being successfully handled.

Investment Services

All customer investment services provided by the Bank were merged from 1st June, 1971, and ANZ Managed Investments Limited, a wholly-owned subsidiary, now conducts the various services which are continuing to receive public acceptance. The Investment Management Service acts for clients throughout the world. ANZ Nominees Limited continues to provide nominee services in Australia, New Zealand and London.

The Outlook

The outlook for a continued expansion of world trade is clouded at present by the problems of the international payments system. This has significant implications for the economic development and prosperity of all countries and a successful and early solution to the problems must be found. To this end, co-operation and assistance between nations are vital.

In Australia and New Zealand, where economic growth is heavily dependent on stable world trade conditions, the future is also clouded by Britain's decision to join the E.E.C. Inflation and the plight of the rural industries are the two most pressing internal problems. In both countries, a realistic attitude by all sections of the community will be essential to confine cost increases to moderate levels.

Australia's international reserves are at a record level and the country has vast natural resources and a diversified manufacturing industry. Therefore, given growth conditions in world trade, economic policy makers are in an advantageous position to ensure sound economic growth. In addition, both Australia and New Zealand are well placed to enjoy the opportunities emerging in the Pacific region and, therefore, the longer term future can be viewed with optimism.

For the banks, however, it is hoped that the authorities will adopt more flexible and equitable policies so that banks can contribute fully to the development of both countries. If trading bank profits continue to fall, banks will be unable to fulfil their important role in financial markets. In these circumstances, a more reasonable rate of growth in assets and deposits must be permitted and trading bank profits should be allowed to grow in line with general economic development.

Our own results have been disappointing and it is unfortunate that the first year of our merger, when we have had to meet so many additional problems and costs, coincided with a period of slower economic growth and a general down-turn in the profitability of trading bank operations.

I cannot, at this stage, promise any significant quick recovery in profits unless general trading conditions improve, but our efforts are being strongly directed towards securing an improvement in our revenue and towards restraining costs.

I close my Report with a tribute to our Deputy General Manager, Mr. R. B. Scotcher, who retired this month after serving over 45 years with Australia and New Zealand Banking Group, The English, Scottish and Australian Bank and the Royal Bank of Australia which was absorbed by The English, Scottish and Australian Bank in 1927.

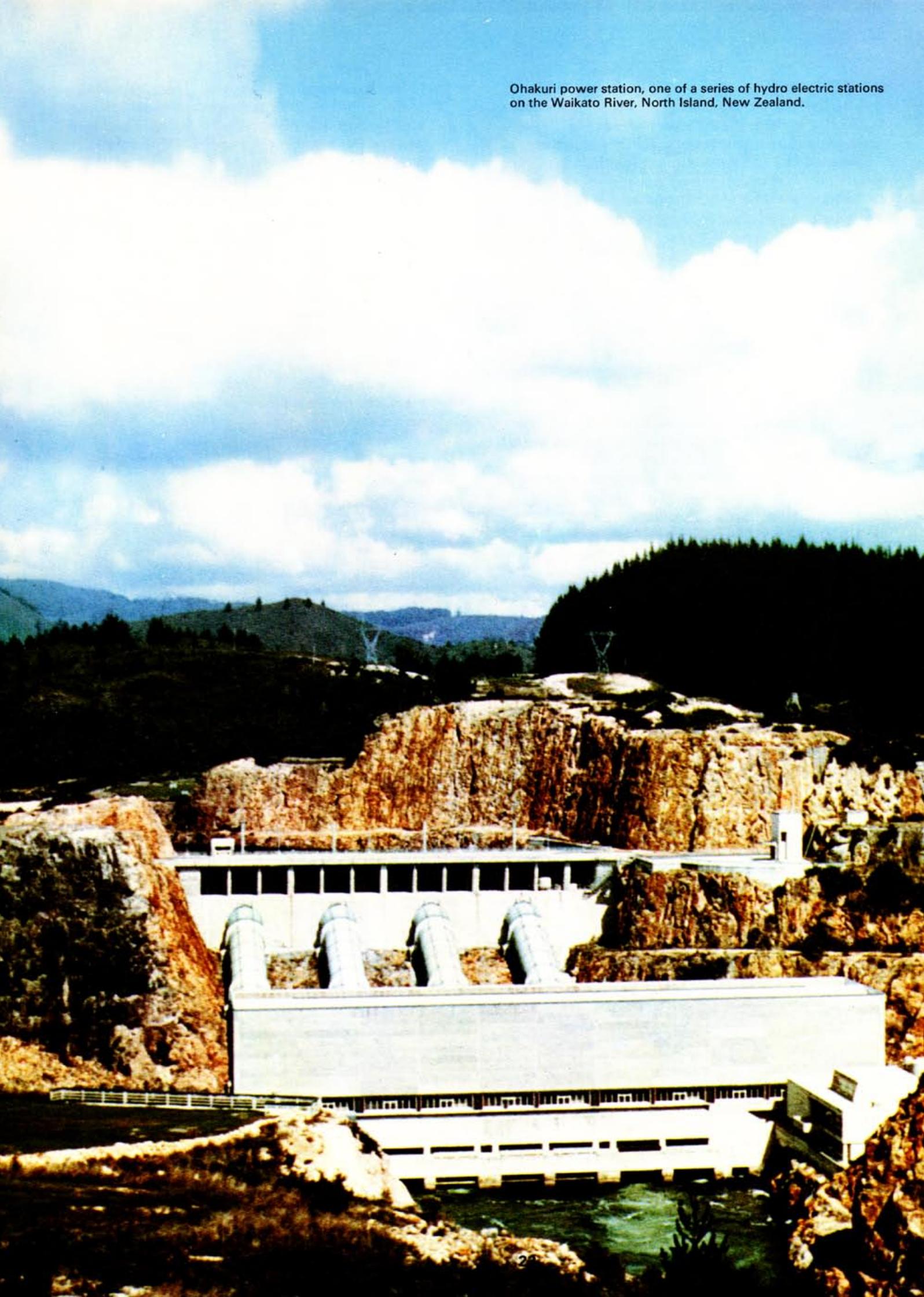
Although most of Mr. Scotcher's service was in London, he served for a period in Australia and is well known there to large numbers of our customers and staff. Highly respected in London banking circles, Mr. Scotcher has given outstanding service to the Bank, both before and after the merger.

On your behalf and that of all his colleagues and friends in the Bank, I express our grateful thanks and our wish that he will now enjoy a long and happy retirement.

Alexander Ross

30th November, 1971.

Ohakuri power station, one of a series of hydro electric stations on the Waikato River, North Island, New Zealand.



**AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED**

and its subsidiaries

**CONSOLIDATED PROFIT
AND LOSS ACCOUNT**

for the year ended 30 September 1971

The notes appearing on pages 28 and 29 are an integral part of these accounts.

	1971 £'000	\$A'000	1970 £'000	\$A'000
Consolidated Profit:				
After charging all expenses, providing for taxation on profits and making transfers to reserves and provision for contingencies out of which accounts provision has been made for any diminution in the value of assets	6,362	13,687	7,350	15,813
Deduct amounts retained by subsidiaries	2,518	5,418	2,169	4,666
Profit dealt with in the accounts of Australia and New Zealand Banking Group Limited	3,844	8,269	5,181	11,147
Add balance brought forward	3,536	7,608	3,568	7,676
	7,380	15,877	8,749	18,823
Appropriations:				
Interim dividend	1,606	3,456	1,606	3,456
Proposed final dividend	1,607	3,456	1,607	3,456
Transfer to Reserve Fund	750	1,614	2,000	4,303
Balance carried forward by Australia and New Zealand Banking Group Limited	3,417	7,351	3,536	7,608
Add balances carried forward by subsidiaries	1,108	2,385	789	1,697
Consolidated balances carried forward	4,525	9,736	4,325	9,305

**AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED**

and its subsidiaries

**CONSOLIDATED
BALANCE SHEET**

30 September 1971

The notes appearing on pages 28 and 29 are an integral part of these accounts.

	1971 £'000	\$A'000	1970 £'000	\$A'000
Authorised Capital:				
35,000,000 shares of £1 each	35,000	75,299	35,000	75,299
Issued Capital:				
32,130,000 shares of £1 each, fully paid	32,130	69,124	32,130	69,124
Reserve Funds	27,482	59,126	24,534	52,782
Profit and Loss Account Balances	4,525	9,736	4,325	9,305
	64,137	137,986	60,989	131,211
Borrowings by Subsidiaries:				
Debenture Stock 1971/80 (Secured)	65,147	140,156	57,107	122,860
Unsecured Notes 1971/80 and Loan Deposits	34,266	73,720	25,654	55,193
Mortgage Loan	234	503	240	516
Proposed Final Dividend	1,607	3,456	1,607	3,456
Deposits, Current Accounts, Bills Payable and Other Accounts (including contingencies reserves and taxation on profits to date)	1,409,830	3,033,109	1,328,707	2,858,581
Balances due to Other Banks	132,124	284,252	97,271	209,268
Amounts due in respect of Refinanced Loans to Customers	61,129	131,513	50,674	109,021
	1,768,474	3,804,695	1,622,249	3,490,106
Acceptances, Endorsements, Confirmed Credits, Guarantees and other Engagements on behalf of customers and others	150,970	324,797	151,653	326,267
Alexander Ross } Hampden } Directors Angus Mackinnon }				
S. Cumberland } Group Accountant				
	1,919,444	4,129,492	1,773,902	3,816,373

	1971 £'000	\$A'000	1970 £'000	SA'000
Coin, Bullion, Notes and Cash at Bankers	41,869	90,077	53,930	116,024
Deposits with Other Banks and Financial Institutions and cheques in course of collection	90,766	195,274	68,957	148,353
Money at Call and Short Notice	26,973	58,030	26,533	57,083
Treasury Notes and Treasury Bills	36,588	78,715	20,834	44,821
Statutory Deposits:				
With Reserve Bank of Australia	60,300	129,730	60,966	131,163
With Reserve Bank of New Zealand	2,910	6,261	2,710	5,830
Loan Fund Accounts with Reserve Bank of Australia	8,085	17,393	8,019	17,252
Investments:				
Quoted	242,513	521,743	215,048	462,654
Unquoted, at or under cost	121,407	261,195	108,179	232,736
Bills Receivable and Remittances in Transit	144,197	310,226	144,393	310,648
Loans and Advances to Customers and Other Accounts (less provision for doubtful debts)	780,530	1,679,232	736,192	1,583,843
Loans to Customers under Refinance Arrangements	61,129	131,513	50,674	109,021
Balances outstanding under Hire Purchase and other contracts entered into by a subsidiary after deducting charges yet to mature £19,895,000 (1970 £14,290,000) and after writing off or providing for bad and doubtful debts	110,386	237,484	87,420	188,076
	1,727,653	3,716,873	1,583,855	3,407,504
Trade Investments at Cost:				
Quoted	39	84	3,106	6,682
Market value £67,000 (1970 £6,581,000)				
Unquoted	2,367	5,092	3,030	6,520
Bank Premises, Sites, Furniture and Equipment, at cost, (less amounts written off)	38,415	82,646	32,258	69,400
	1,768,474	3,804,695	1,622,249	3,490,106
Liabilities of Customers and Others for acceptances, endorsements, confirmed credits, guarantees and other engagements	150,970	324,797	151,653	326,267
	1,919,444	4,129,492	1,773,902	3,816,373

BALANCE SHEET

30 September 1971

The notes appearing on pages 28 and 29 are an integral part of these accounts.

	1971 £'000	\$A'000	1970 £'000	\$A'000
Authorised Capital:				
35,000,000 shares of £1 each	35,000	75,299	35,000	75,299
Issued Capital:				
32,130,000 shares of £1 each, fully paid	32,130	69,124	32,130	69,124
Reserve Fund	19,000	40,877	18,250	39,263
Profit and Loss Account Balance	3,417	7,351	3,536	7,608
	54,547	117,352	53,916	115,995
Proposed Final Dividend	1,607	3,456	1,607	3,456
Deposits, Current Accounts, Bills Payable and Other Accounts (including contingencies reserves and taxation on profits to date)	998,969	2,149,183	954,248	2,052,969
Balances due to Other Banks	132,124	284,252	97,271	209,268
Amounts Due in respect of Refinanced Loans to Customers	61,129	131,513	50,674	109,021
Amounts Due to Subsidiaries	7,076	15,223	7,741	16,655
	1,255,452	2,700,979	1,165,457	2,507,364
Acceptances, Endorsements, Confirmed Credits, Guarantees and Other Engagements on behalf of customers and others	150,970	324,797	151,653	326,267
Alexander Ross } Hampden } Directors Angus Mackinnon }				
S. Cumberland } Group Accountant }				
	1,406,422	3,025,776	1,317,110	2,833,631

	1971 £'000	\$A'000	1970 £'000	\$A'000
Coin, Bullion, Notes and Cash at Bankers	20,877	44,915	35,381	76,118
Deposits with Other Banks and Financial Institutions and cheques in course of collection	89,952	193,523	68,608	147,603
Money at Call and Short Notice	20,141	43,331	9,742	20,958
Treasury Notes and Treasury Bills	16,601	35,715	6,680	14,372
Statutory Deposits:				
With Reserve Bank of Australia	60,300	129,730	60,966	131,163
With Reserve Bank of New Zealand	2,910	6,261	2,710	5,830
Loan Fund Accounts with Reserve Bank of Australia	8,085	17,393	8,019	17,252
Investments:				
Quoted	137,684	296,213	112,577	242,198
Unquoted, at or under cost	205	441	312	672
Bills Receivable and Remittances in Transit	144,197	310,226	143,826	309,427
Loans and Advances to Customers and Other Accounts (less provision for doubtful debts)	636,422	1,369,198	617,258	1,327,969
Loans to Customers under Refinance Arrangements	61,129	131,513	50,674	109,021
	1,198,503	2,578,459	1,116,753	2,402,583
Trade Investments unquoted at cost	1,313	2,825	1,466	3,154
Investments in Subsidiaries:				
Shares at cost	40,517	87,168	39,355	84,669
Loans	5,526	11,889	178	382
Bank Premises, Sites, Furniture and Equipment, at cost, (less amounts written off)	9,593	20,638	7,705	16,576
	1,255,452	2,700,979	1,165,457	2,507,364
Liabilities of Customers and Others for acceptances, endorsements, confirmed credits, guarantees and other engagements	150,970	324,797	151,653	326,267
	1,406,422	3,025,776	1,317,110	2,833,631

NOTES ON THE ACCOUNTS

1. On 1st October, 1970, the undertakings of Australia and New Zealand Bank Limited and The English, Scottish and Australian Bank, Limited were transferred to Australia and New Zealand Banking Group Limited, except for certain properties and investments. The 1970 comparative figures reflect these transfers.

2. On 30th September, 1971, ANZ Investments Limited contracted to sell the whole of its investment in I.A.C. (Holdings) Limited. The first instalment of the consideration, representing some 61 per cent of the total, was received on 1st October, 1971, and the balance is receivable in Australian currency, by instalments, up to 1st July, 1974.

The surplus arising from this sale, after deducting all selling expenses and providing for United Kingdom Corporation Tax at 40 per cent on the capital gain, amounted to £2,957,000. An amount equivalent to this net surplus has been paid to Australia and New Zealand Banking Group Limited as a capital dividend and taken to contingencies reserves and is not therefore included in the consolidated profit for the year shown in the Consolidated Profit and Loss Account.

3. The accounts are shown in sterling. For information only, Australian currency amounts are also shown and these represent conversions of the sterling amounts at the exchange rate ruling at the date of the Balance Sheets.

4. Assets and liabilities in currencies other than sterling have been converted to sterling at the exchange rates ruling at the date of the Balance Sheets.

5. Quoted investments (excluding trade investments) held by the Company and by its subsidiaries are, in the main, redeemable at fixed dates within ten years and are stated in the Balance Sheets at book amounts which are at or under cost and in the aggregate below redemption value.

The book amounts and valuations at middle market prices of these investments are given in Notes 6 and 7. As redeemable investments are normally held to or near maturity, no provision is considered necessary for any difference between the book amounts and the market values of such individual stocks quoted below book amounts at the balance date, neither have any transfers been made from reserves or out of the current year's profits to write them down, apart from the normal amortisation of the premium on stocks bought above par.

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

	1971	1970
	£'000	£'000
Quoted in Great Britain:		
British Government securities	1,589	1,421
Other securities	1,480	2,458
Quoted outside Great Britain:		
Australian and New Zealand		
Government securities	134,432	108,518
Other securities	183	180
Market value £135,842,000	137,684	112,577
(1970 £109,230,000)		

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

	1971	1970
	£'000	£'000
Quoted in Great Britain:		
British Government securities	1,589	1,421
Other securities	1,480	2,458
Quoted outside Great Britain:		
Australian and New Zealand		
Government securities	232,847	204,331
Other securities	6,597	6,838
Market value £236,454,000	242,513	215,048
(1970 £205,996,000)		

8. There are forward exchange contracts for the sale of currencies to the value of £428,050,000 (1970 £362,527,000) which are covered to a corresponding amount by forward purchases, by arrangements with central banks or by holdings of foreign currencies.

9. Contracts for outstanding capital expenditure not provided for in the accounts totalled £1,280,000 (1970 Nil) for the Company and £4,970,000 (1970 £5,670,000) for the Company and its subsidiaries. Capital expenditure, as authorised by the Directors but not contracted for, totalled £4,450,000 (1970 £500,000) for the Company and £9,800,000 (1970 £1,490,000) for the Company and its subsidiaries.

10. Provision has been made in the consolidated accounts for auditors' remuneration of £42,693 (1970 £33,585), of which £14,000 relates to the Company (1970 £1,000 related to the Company as a holding company).

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

	1971	1970
Directors' Fees	£28,500	£30,054
Other remuneration (including contributions in respect of future pensions)	£83,198	£72,547
	£111,698	£102,601

Included in the above figures are the emoluments (excluding contributions in respect of future pensions) of the Chairman £10,000 (1970 £8,936) and the highest paid United Kingdom Director £12,897 (1970 £11,041). The total emoluments (excluding contributions in respect of future pensions) of the Directors (excluding Australian resident Directors) are analysed below to show the number of Directors in each category:

	1971	1970
Up to £2,500	10	11
from £2,501 to £5,000	5	6
from £5,001 to £7,500	—	1
from £7,501 to £10,000	1	—
from £10,001 to £12,500	—	1
from £12,501 to £15,000	1	—

12. One United Kingdom employee (1970 one) of the Company received emoluments between £10,000 and £12,500.

13. There are contingent liabilities in respect of uncalled capital on trade investments of the Company amounting to £459,000 and of a subsidiary amounting to £32,000.

14. The Company has guaranteed the repayment of loans made to its customers by a subsidiary to the extent of £836,000 (1970 £1,199,000).

15. Provision has been made for United Kingdom Corporation Tax at the appropriate rate on profits for the year to 30th September, 1971, after taking account of relief for overseas taxation.

16. Australia and New Zealand Banking Group Limited has guaranteed the depositors' balances with Australia and New Zealand Savings Bank Limited and with ANZ Savings Bank (New Zealand) Limited.

17. A list of subsidiary and associated companies and other trade investments is given on pages 36 and 37 and forms part of these Notes on the Accounts.



We have examined the annexed consolidated profit and loss account and consolidated balance sheet and balance sheet together with the notes thereon. The accounts of certain subsidiary companies have been audited by other firms.

In our opinion the balance sheet and the consolidated accounts, together with the notes thereon, comply with the Companies Acts 1948 to 1967 in the manner authorised for a banking company.

REPORT OF THE AUDITORS

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

Peat, Marwick, Mitchell & Co.,
Chartered Accountants.
London.
30th November, 1971.



Road train transporting general cargo between Darwin and Alice Springs in the Northern Territory.

AUSTRALIA AND NEW ZEALAND SAVINGS BANK LIMITED

INCORPORATING ES&A SAVINGS BANK LIMITED

(Deposits guaranteed by Australia and New Zealand Banking Group Limited)

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

BALANCE SHEET

30 September 1971

Certain of the notes appearing on pages 28 and 29 refer to these accounts.

	1971 \$A'000	1970 \$A'000
Authorised Capital:		
14,000,000 shares of \$A1 each	14,000	14,000
Issued Capital:		
5,000,000 shares of \$A1 each, fully paid	5,000	5,000
Reserve Fund	12,700	10,700
Profit and Loss Account Balance	1,060	510
	18,760	16,210
Depositors' Balances and Other Accounts, including provision for accrued interest, taxation and reserve for contingencies	783,793	712,609
	802,553	728,819

PROFIT AND LOSS ACCOUNT

for the year ended 30 September 1971

	1971 \$A'000	1970 \$A'000
Transfer to Reserve Fund	2,000	2,400
Balance carried forward	1,060	510
	3,060	2,910

	1971 \$A'000	1970 \$A'000
Notes and Coin	92	20
Balances with Banks:		
Australia and New Zealand Banking Group Limited	9,221	10,452
Reserve Bank of Australia	45,070	39,885
Money at Call and Short Notice	13,600	27,300
Treasury Notes	43,000	30,450
Investments:		
Quoted investments at or under cost:		
Australian Government securities	172,060	160,882
Other Australian securities	13,660	14,125
Market Value \$A176,818,000 (1970 \$A162,682,000)		
Unquoted Australian and Fijian investments at or under cost:		
Loans to Authorities constituted by or under Government Acts	214,525	195,671
Other Australian and Fijian securities	12,593	6,421
Investments in Subsidiary:		
Shares, at cost	1,000	1,000
Loan	8,900	3,981
Balances due by Other Banks	1,750	1,750
Loans and Other Accounts, including accrued interest (less provision for doubtful debts)	267,082	236,882
	802,553	728,819

	1971 \$A'000	1970 \$A'000
Balance brought forward	510	836
Profit, including income from investments, after charging all expenses, providing for taxation on profits earned to date and making transfers to reserves and provision for contingencies	2,550	2,074
	3,060	2,910

**ANZ SAVINGS BANK
(NEW ZEALAND) LIMITED**

(Deposits guaranteed by Australia and New Zealand Banking Group Limited)

Board of Directors: T.M. Williamson (Chairman and General Manager),
N.T. Caradus, E.L. Jones, Lord Remnant, C.H. Rennie, Sir Alexander Ross, W.J. Sisam

BALANCE SHEET

30 September 1971

Certain of the notes appearing on pages 28 and 29 refer to these accounts.

	1971 NZ\$'000	1970 NZ\$'000
Authorised Capital:		
250,000 shares of NZ\$2 each	500	500
Issued Capital:		
250,000 shares of NZ\$2 each, fully paid	500	500
Reserve Fund	910	680
Profit and Loss Account Balance	192	126
	1,602	1,306
Depositors' Balances and Other Accounts, including provision for accrued interest, taxation and reserve for contingencies	88,285	88,491
	89,887	89,797

	1971 NZ\$'000	1970 NZ\$'000
Balances with Banks:		
Australia and New Zealand Banking Group Limited	4,445	3,393
Investments:		
Quoted investments at or under cost:		
New Zealand Government securities Market Value NZ\$39,458,000 (1970 NZ\$45,253,000)	39,629	45,204
Unquoted investments at or under cost:		
3¼ per cent New Zealand Government special stock	31,580	27,950
Local Authority securities	2,006	1,974
Loans and Other Accounts, including accrued interest (less provision for doubtful debts)	12,227	11,276
	89,887	89,797

PROFIT AND LOSS ACCOUNT

for the year ended 30 September 1971

	1971 NZ\$'000	1970 NZ\$'000
Transfer to Reserve Fund	230	200
Balance carried forward	192	126
	422	326

	1971 NZ\$'000	1970 NZ\$'000
Balance brought forward	126	69
Profit, including income from investments, after charging all expenses, providing for taxation on profits earned to date and making a transfer to provision for contingencies	296	257
	422	326

ESANDA LIMITED

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

SUMMARY OF THE AUDITED BALANCE SHEET

30 September 1971

Certain of the notes appearing on pages 28 and 29 refer to these accounts.

	1971 \$A'000	1970 \$A'000
Authorised Capital:		
20,000,000 Ordinary Shares of \$A1	20,000	10,000
Issued Capital:		
12,500,000 Ordinary Shares of \$A1 each, fully paid	12,500	10,000
Capital Reserve	16	15
General Reserve	15,500	13,000
Unappropriated Profits	1,128	1,054
	29,144	24,069
Secured Borrowings:		
Debenture Stock (Maturing within one year \$A32,577,000 (1970 \$A26,959,000))	140,156	122,860
Unsecured Borrowings:		
Unsecured Notes and Fixed Term Deposits (Maturing within one year \$A40,291,000 (1970 \$A16,270,000))	73,798	55,271
	243,098	202,200
Current Liabilities:		
Sundry Creditors, Interest accrued and Australian Income Tax provisions	7,790	6,102
	250,888	208,302

	1971 \$A'000	1970 \$A'000
Current Assets:		
Cash at Australia and New Zealand Banking Group Limited	501	435
Money at Call	1,100	8,825
Advances, Bills Receivable plus accrued interest	6,547	7,120
Amounts due and to mature under hire purchase, instalment loans and other contracts after writing off or providing for bad and doubtful debts and contingencies. Less Charges yet to mature \$A42,803,000 (1970 \$A30,744,000)	237,484	188,076
	245,632	204,456
Investment:		
Shares in a company listed on a prescribed Stock Exchange, at cost (Market Value \$A130,000(1970 \$A144,000))	72	72
Fixed Assets:		
Freehold land and building under construction, at cost, less provision for depreciation \$A40,000 (1970 Nil)	5,184	3,774
	250,888	208,302

DISPOSITION OF PROFIT

for the year ended 30 September 1971

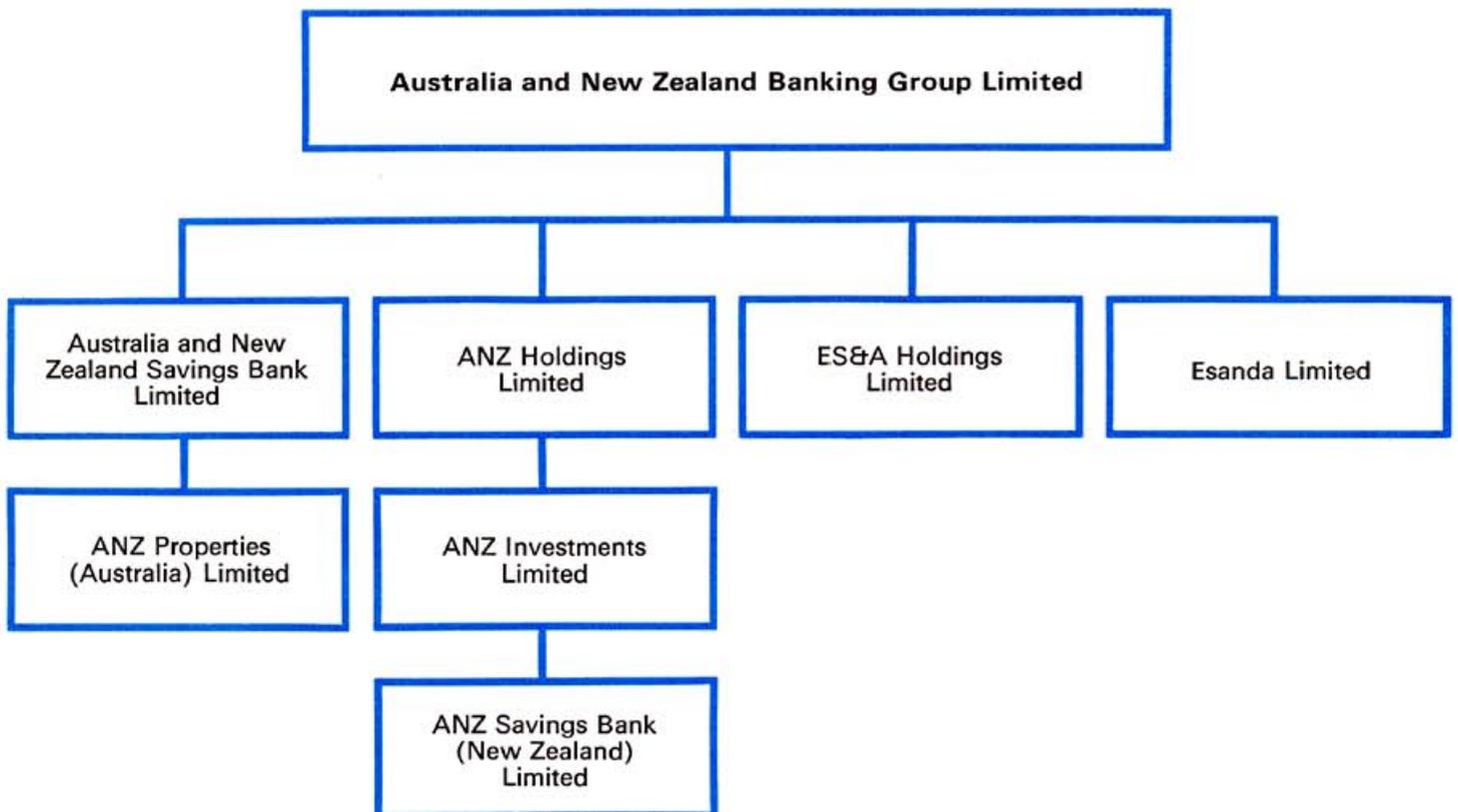
	1971 \$A'000	1970 \$A'000
Dividend	1,600	1,200
Transfer to General Reserve	2,500	2,000
Additional Provision for Tax for prior year	—	5
Balance of Unappropriated Profits carried forward	1,128	1,054
	5,228	4,259

	1971 \$A'000	1970 \$A'000
Balance of Unappropriated Profits brought forward from previous year	1,054	761
Net Profit after provision for Australian Tax	4,174	3,498
	5,228	4,259

GROUP STRUCTURE

A detailed analysis of the Group is shown on pages 36 and 37 and a list of Group services is set out on pages 42 and 43.

The main structure of the Group is as set out below :



**AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED**

**SUBSIDIARY COMPANIES
AND GROUP INTERESTS**

See note 17 on page 29

	Incorporated in :	Issued Capital :	Group Interest :
Wholly Owned Subsidiaries			
ANZ Holdings Limited	England	15,400,000 shares of £1	100%
ES&A Holdings Limited	England	8,400,000 shares of £1	100%
ANZ Custodians Limited	Australia	7 shares of \$A1	100%
ANZ Discounts Limited	Australia	5 shares of \$A2	100%
ANZ Investments Limited	England	100 shares of £1	100%
ANZ Managed Investments Limited	Australia	209,010 shares of \$A1	100%
ANZ Nominees Limited	England	1,000 shares of £1	100%
ANZ Overseas Finance Limited	England	100 shares of £1	100%
ANZ Pensions Limited	England	250,000 shares of £1	100%
ANZ Pensions (Overseas) Pty. Limited	Australia	5 shares of \$A2	100%
ANZ Properties (Australia) Limited	Australia	1,000,000 shares of \$A1	100%
Australia and New Zealand Savings Bank Limited	Australia	5,000,000 shares of \$A1	100%
ANZ Savings Bank (New Zealand) Limited	New Zealand	250,000 shares of NZ\$2	100%
ANZ Services Limited	Australia	5,000 shares of \$A2	100%
Britannia Investment Company Pty. Limited	Australia	82,000 shares of \$A1	100%
ES&A Properties (U.K.) Limited	England	125,000 shares of £1	100%
Esanda Limited	Australia	12,500,000 shares of \$A1	100%
Esanda (Wholesale) Pty. Limited	Australia	50 shares of \$A2	100%
Esanda Nominees Limited	England	100 shares of £1	100%
ES&A Nominees (Australia) Pty. Limited	Australia	50 shares of \$A2	100%
ES&A Properties (Australia) Limited	Australia	2,000,000 shares of \$A1	100%
ES&A (Security) Pty. Limited	Australia	2 shares of \$A2	100%
Melbourne Safe Deposit Pty. Limited	Australia	29,000 shares of \$A1	100%
Associated Companies			
Australian Banks' Export Re-finance Corporation Limited	Australia	2,000,000 shares of \$A1	21.78%
Australian International Finance Corporation Limited	Australia	6,250,000 shares of \$A1	20%
Australian Interstate Pipe Line Company Limited	Australia	39,360 shares of \$A2	11.11%
Australian Resources Development Bank Limited	Australia	3,000 shares of \$A1,000	14.4%
351 Collins Street Limited	Australia	1,170,000 shares of \$A2	50%
Databank Systems Limited	New Zealand	200,000 shares of NZ\$1	20%
Endeavour Investments (New Zealand) Limited	New Zealand	4,000,000 shares of NZ\$1	20%
Intercontinental Banking Services Limited	England	3,500,000 shares of £1 (10% paid)	14.29%
Malaysia Industrial Finance Corporation Berhad	Malaysia	1,000,000 shares of \$1 Malaysian	25%
Melanesia International Trust Company Limited	New Hebrides	200,000 shares of £0.50	32.5%
Interests of 10 per cent or under			
A.N.G. Holdings Limited	Papua New Guinea	1,300,000 shares of \$A1	1.03%
A.N.G. Properties Limited	Papua New Guinea	420,000 shares of \$A1	10%
Australian Innovation Corporation Limited	Australia	680,000 shares of \$A1 (25% paid)	3.68%
Australia New Guinea Corporation Limited	Papua New Guinea	654,500 shares of \$A1	3.06%
			1.53%
Delfin Industrial Finance Limited	Australia	1,890,000 shares of \$A1 (including 540,000 25% paid shares)	8.89%
Development Finance Corporation of New Zealand	New Zealand	2,000,000 shares of NZ\$1 (75% paid)	6.5%
Private Investment Company for Asia S.A.	Panama	4,800 shares of US\$5,000	0.83%
South East Asia Development Corporation Berhad	Malaysia	3,500,000 shares of \$1 Malaysian	0.86%
Swan Television Limited	Australia	1,600,000 shares of \$A1	4.5%
The Diebold Group International Inc.	Liberia	2,000 shares of common stock par value US\$1	Nil
		3,000 shares of convertible preferred stock par value US\$1	10%

Held by :	Activities :
ANZ Banking Group } ANZ Banking Group } ANZ Banking Group } ANZ Investments } ANZ Holdings } Melbourne Safe Deposit }	Formerly ANZ Bank and ES&A Bank respectively; the businesses and undertakings of these companies have been transferred to ANZ Banking Group although certain Bank properties and investments remain in the name of the companies. Depository company holding Australian securities for Bearer Depository Receipts which are issued in the U.K. Negotiation of foreign currency loans for Australian customers. Holding company for shares in subsidiary and associated companies and trade investments. Investment services including portfolio management, investment advice, public superannuation funds and unit trust management.
ANZ Banking Group } ANZ Banking Group } ANZ Banking Group } ANZ Pensions } Australia and New Zealand Savings Bank }	Nominee services. Provision of foreign currency loans. Management of staff pension funds. Owner of certain Bank properties in Australia.
ANZ Banking Group } ANZ Investments } ANZ Banking Group } ES&A Holdings } ANZ Banking Group } ANZ Banking Group } Britannia Investment Co. }	The business of savings banking and other related financial services in Australia and the Pacific area. The business of savings banking and other related financial services in New Zealand. Non-operative. Owner of certain Bank properties in Australia. Owner of certain Bank properties in the U.K.
ANZ Banking Group } ANZ Banking Group } ES&A Holdings }	Finance companies providing hire purchase, lease, instalment and general finance facilities in Australia. Nominee services—U.K. Nominee services—Australia. Formerly ES&A Savings Bank; the business and undertakings of the company have been transferred to Australia and New Zealand Savings Bank although certain Bank properties remain in the name of the company.
ANZ Banking Group } ANZ Banking Group }	Trustee company. Holding company for shares in subsidiary and associated companies and trade investments.
<hr/>	
ANZ Banking Group	Provision of medium and long term finance for Australian capital goods exports.
ANZ Banking Group	Medium and long term lending and other related financial services in Australia and the Pacific area.
ANZ Investments } ANZ Banking Group } ANZ Investments } ANZ Banking Group } ANZ Investments }	Development and financing of oil and gas pipelines in Australia. Provision of medium and long term finance for development of Australia's natural resources. Owner of 351 Collins Street property. Nation-wide computer network jointly owned by trading banks in New Zealand. Holding company with a 72.7% interest in UDC Group Holdings, a New Zealand quoted company owning United Dominions Corporation Finance, the largest finance company in New Zealand.
ANZ Banking Group } ANZ Investments } ANZ Investments }	Provision of medium term finance. The business of hire purchase finance in Malaysia. Provision of a wide range of trustee, corporate and financial services within the New Hebrides and in other areas of the world
<hr/>	
ANZ Investments } ANZ Investments } ANZ Banking Group } ANZ Investments } Melbourne Safe Deposit } ANZ Investments }	A subsidiary investment holding company of A.N.G. Corporation. Property owner for A.N.G. Corporation's building in Port Moresby. Provision of financial, technical, managerial and industrial support for Australian innovations and inventions. Investment company to assist in the development of Papua New Guinea. Investment company in Australia.
ANZ Investments } ANZ Banking Group } ANZ Investments } Esanda }	Provision of medium and long term development finance; also advisory and technical services. Capital investment in the developing countries of Asia. Investment and banking facilities in S.E. Asia. Television company operating in Western Australia.
ANZ Banking Group	International management consulting company associated with The Diebold Group offering services in areas other than Europe and North America.

**AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED**

and its subsidiaries

TEN YEAR SUMMARY

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

Notes

Where applicable the summary comprises the combined figures for Australia and New Zealand Bank Limited and The English, Scottish and Australian Bank, Limited, and for Australia and New Zealand Savings Bank Limited and ES&A Savings Bank Limited. Prior to 1969 the figures for The English, Scottish and Australian Bank, Limited and ES&A Savings Bank Limited were as at 30th June.

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

(†) These items show decreases on the 1967 figures because of alterations in the exchange rates following devaluation of sterling in November, 1967.

1969	1970	1971
14,884 *	15,813	13,687
69,124	69,124	69,124
122,310	131,211	137,986
3,397,608	3,816,373	4,129,492
1,861,034	2,052,969	2,149,183
1,101,840	1,327,969	1,369,198
671,295	712,609	783,793
208,775	236,882	267,082
136,874	178,131	213,954
162,952	208,302	250,888
78,289	88,491	88,285
8,233	11,276	12,227
1,311	1,327	1,254
338	342	297

Amounts in \$A'000

Group Net Profit

Paid Up Capital

Shareholders' Funds

Total Group Assets

Trading Bank Deposits

Trading Bank Advances

Australian Savings Bank Deposits

Australian Savings Bank Advances

Esanda—Total Borrowings

Esanda—Total Assets

Amounts in NZ\$'000

New Zealand Savings Bank Deposits

New Zealand Savings Bank Advances

Branches and Sub-branches

Agencies

PRINCIPAL ESTABLISHMENTS

Administrative Headquarters

351 Collins Street, Melbourne, Victoria

Managing Director

H.McE.Scambler

Chief General Manager

C.H.Rennie

General Managers

R.A.Orpwood (Personnel and Services)

J.Jennings (Operations)

E.Arundel (Planning and Development)

Assistant General Managers

T.F.Davies

A.G.Kilpatrick

G.W.Kimber (General Manager, Esanda)

J.C.Macvean

D.H.Merry (Economic Adviser)

W.H.Simon (General Manager, ANZ Savings Bank)

P.B.Sinnott

K.H.C.Swan

K.O.Wilks

G.B.Willcocks

Chief Managers International Division

T.F.Beckwith

J.H.L.Holberton

Administrative and Registered Offices, London

71 Cornhill, London, EC3V 3PR

Executive Director

R.C.Wheeler-Bennett

Secretary

J.W.Agate

Group Accountant

S.Cumberland

Victoria

Administrative Offices: 287 Collins Street, Melbourne
Chief Manager **W.M.Manyweathers**

Principal Banking Offices in Melbourne:
388 Collins Street. Manager **R.Gamon**
394 Collins Street. Manager **G.R.Stevens**
Royal Bank Branch, 293 Collins Street
Manager **J.W.Keck**
Stock Exchange Branch, 351 Collins Street
Manager **R.T.Brunskill**

New South Wales

Administrative Offices: 2 Martin Place, Sydney
Assistant General Manager and
Senior Chief Manager **M.Brunckhorst**
Chief Manager **T.C.J.Caldwell**

Principal Banking Offices in Sydney:
King and George Streets. Manager **J.P.Davidson**
Martin Place and George Street. Manager **E.B.Povey**
Martin Place and Pitt Street. Manager **N.C.Smith**
Pitt and Hunter Streets. Manager **L.L.J.Maloney**

Australian Capital Territory

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

Queensland

Administrative Offices: 406 Queen Street, Brisbane
Chief Manager **F.Hill**
Principal Banking Office in Brisbane:
Queen and Creek Streets.
Senior Manager **T.B.Adams**

South Australia

Administrative Offices:
75 King William Street, Adelaide
Chief Manager **V.F.Paul**
Principal Banking Offices in Adelaide:
13 King William Street. Manager **T.A.Wightman**
King William and Currie Streets.
Manager **G.M.Salthouse**

Western Australia

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

Tasmania

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

Northern Territory

Main Banking Office: 57 Smith Street, Darwin
Manager **N.R.Thompson**

Papua New Guinea

Main Banking Office:
A.N.G. House, Hunter Street, Port Moresby
Manager **R.McN.Hill**

New Zealand

Administrative Offices:
196 Featherston Street, Wellington
Chief Manager **T.M.Williamson**
Principal Banking Offices:
Wellington, Lambton Quay and Featherston Street
Manager **T.N.Bright**
Auckland, Queen and Victoria Streets.
Manager **J.A.Mace**
Christchurch, 85 Hereford Street.
Manager **J.S.Clark**
Dunedin, Princes and Liverpool Streets.
Manager **T.D.Dearnness**

Pacific Islands

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

Japan

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

North America

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

United Kingdom and Europe

Administrative Offices:
71 Cornhill, London, EC3V 3PR
Chief Manager **R.J.Sutton**
Deputy Chief Manager **C.H.Bennett**
Principal Banking Office:
71 Cornhill, London, EC3V 3PR
Manager **N.V.Pinks**

GROUP SERVICES

Australia and New Zealand Banking Group Limited operates through 1,549 offices in Australia, New Zealand, the Pacific area and the United Kingdom. Representative offices have also been established in New York and Tokyo and there is a network of correspondent banks throughout the world.

Domestic Banking:

Cheque accounts and interest bearing term deposit accounts, including negotiable and convertible certificates of deposit.

Financial assistance for primary, secondary and tertiary industry.

Leasing.

Personal loans.

Safe custody and night safe facilities.

Money transfers.

Travellers' cheques, travellers' letters of credit and provision of foreign currency.

Economic and business advisory services covering oil, gas, minerals, rural and industrial undertakings.

Term loans.

Farm development loans.

Savings Banking:

Interest bearing savings accounts for individuals, clubs, societies, etc.

Investment accounts.

Christmas Club Savings scheme.

Special Purpose Savings accounts.

Loans for housing.

Loans to semi-government instrumentalities, municipal bodies and schools.

Provision of savings bank facilities in factories, offices and schools.

International Banking:

Financing of international trade.

Provision of Euro-currency and foreign currency finance.

Advice on import and export procedures.

Overseas remittances.

International consortia financing.

Trade enquiry service.

Oil and minerals services.

Investment:

Portfolio management and investment advisory services.

Nominee and registrar services.

Purchase and sale of investments.

Investment of short, medium and long term funds.

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

Custodian service for investment funds.

Self employed and employees' retirement funds.

Hire Purchase and General Finance:

Comprehensive instalment purchase and related facilities in Australia, New Zealand, Papua New Guinea and Malaysia.

Leasing finance.

Financing of capital goods and property.

Miscellaneous:

Comprehensive travel service.

Economic research and information service.

Publications covering a wide range of topics.

Business development service.

Migrant Advisory Centres in Australia and New Zealand.

Migrant services in the United Kingdom and Europe.

ANALYSIS OF SHAREHOLDINGS

30 September 1971

Holding of:	Accounts		Shares	
	No.	%	No.	%
Up to 500	16,222	59.1	4,066,213	12.7
501 to 1,000	6,575	24.0	4,516,774	14.0
1,001 to 5,000	4,154	15.1	7,152,896	22.3
5,001 to 10,000	238	0.9	1,585,134	4.9
Over 10,000	244	0.9	14,808,983	46.1
Totals	27,433	100.0	32,130,000	100.0

Held by:				
Nominee, Investment and Trustee Companies	1,260	4.6	9,013,043	28.0
Insurance Companies	134	0.5	4,360,079	13.6
Individuals and others	26,039	94.9	18,756,878	58.4
Totals	27,433	100.0	32,130,000	100.0

Directors' Shareholdings

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

	Beneficially Owned		Otherwise Held	
	As at 30th September, 1971	As at 1st October, 1970	As at 30th September, 1971	As at 1st October, 1970
Sir Alexander Ross	400	337	—	—
Viscount Hampden	2,835	2,835	—	—
Angus Mackinnon	2,015	2,015	5,400	5,400
Sir Donald F. Anderson	1,374	1,374	—	—
The Hon. E. L. Baillieu	405	405	4,500	4,500
Viscount Bridgeman	1,618	1,618	—	4,455
C. A. W. Dawes	567	567	—	—
Sir Geoffrey C. Gibbs	1,954	1,954	2,878	2,878
R. E. B. Lloyd	250	250	3,914	4,589
A. D. Marris	567	567	—	—
Colonel A. T. Maxwell	250	—	—	4,560
P. E. Nesbitt	471	471	—	—
Lord Remnant	405	405	—	—
C. H. Rennie	250	250	—	—
R. T. Renton	405	405	—	—
D. J. Robarts	1,611	1,611	—	—
H. McE. Scambler	300	300	—	—
R. H. Senior	1,954	1,954	5,503	5,503
R. C. Wheeler-Bennett	1,432	1,432	4,050	4,050
Totals	19,063	18,750	26,245	35,935

The combined interests of all the Directors and their families at 30th September, 1971, in respect of either share capital of the Company or voting control did not in the aggregate exceed 5 per cent. The Company has not received any notification under Section 33 of the Companies Act 1967 of any beneficial interest of 10 per cent or more in the share capital of the Company.

The photograph on pages 2 and 3 is by courtesy of the Australian News and Information Bureau, Canberra.



**AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED**