Financial Summary

<table>
<thead>
<tr>
<th></th>
<th>1976</th>
<th>1975*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholders' funds</td>
<td>$258,471,000</td>
<td>$221,286,000</td>
</tr>
<tr>
<td>Consolidated assets</td>
<td>$8,397,367,000</td>
<td>$7,501,998,000</td>
</tr>
<tr>
<td>Group profit before extraordinary items</td>
<td>$36,855,000</td>
<td>$27,391,000</td>
</tr>
<tr>
<td>Return on shareholders' funds</td>
<td>14.3%</td>
<td>12.4%</td>
</tr>
</tbody>
</table>

Financial Calendar

Results
First half year results Announced 29th April, 1976
Results for the year Announced 29th November, 1976
Report and accounts Circulated 22nd December, 1976
Annual General Meeting To be held 17th January, 1977

Dividends
Interim dividend Announced 29th April, 1976
Paid 9th July, 1976
Recommended final dividend Announced 29th November, 1976
To be paid 27th January, 1977

*A.N.Z. Group Holdings Limited was incorporated in Victoria on 15th April, 1976 and under the Scheme of Arrangement dated 11th June, 1976 Australia and New Zealand Banking Group Limited and its subsidiaries became wholly-owned subsidiaries of A.N.Z. Group Holdings Limited. Comparative figures for 1975 cover the position when Australia and New Zealand Banking Group Limited was the parent company for the Group.
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Notice of Meeting

Notice is hereby given that the first Annual General Meeting of A.N.Z. Group Holdings Limited will be held at the 4th Floor, 360 Collins Street, Melbourne, on Monday, 17th January, 1977, at 2.30 p.m. for the following purposes:

1. To receive and consider the accounts of the Company together with the Group accounts of the Company and its subsidiaries for the year ended 30th September, 1976 and the reports of the directors and auditors thereon.

2. To declare a final dividend for the year ended 30th September, 1976 as recommended by the directors and payable to members entered on the register as at 4th January, 1977.

3. To elect directors in accordance with the Company’s Articles of Association.

The following directors were appointed during the year and are eligible for re-election in accordance with the Company’s Articles of Association:

- Angus Mackinnon, D.S.O., M.C. (Chairman), The Hon.

4. To appoint auditors as required under Section 166(3) of the Victorian Companies Act and authorise the directors to fix the remuneration paid to such.

The firm of Peat, Marwick, Mitchell & Co., Chartered Accountants, have been nominated for appointment by a shareholder in accordance with the Victorian Companies Act and offer themselves accordingly.

5. As special business, to consider and, if thought fit, pass the following ordinary resolution:

That in compliance with the listing agreement entered into between the Company and the London Stock Exchange it is confirmed (without limiting the generality of the directors’ powers to issue shares contained in the Articles of Association of the Company) that the directors may in their discretion issue for cash, shares in the company, other than to members in proportion to their shareholdings, up to a limit of ten per centum of the nominal amount of the issued share capital of the Company which discretion is otherwise exercisable within the limitations imposed by the Official List Requirements of the Australian Associated Stock Exchanges and which is within the powers conferred on the directors by the Articles of Association of the Company.

6. To transact any other business which may be brought forward in conformity with the Articles of Association.

By Order of the Board,

L. C. Graham, Secretary,
Melbourne.

15th December, 1976.

Information for Shareholders

The transfer books will be closed at 5 p.m. on 4th January, 1977, to determine members’ entitlements to the dividend.

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

The closing date for the receipt of nominations for the office of director is 8th January, 1977, and to be effective must be lodged with the Secretary at the Registered Office of the Company in Melbourne by that date.

Under the Official List Requirements of the Australian Associated Stock Exchanges, directors of the Company are permitted discretion to issue for cash, other than to existing shareholders, shares in the Company up to a limit of 10 per cent of its issued capital. To obtain, for the Board, London Stock Exchange approval to the exercise of this discretion, the ordinary resolution set out in item 5 must be passed annually.

Nomination of Auditors

The Secretary,
A.N.Z. Group Holdings Limited,
351 Collins Street,
MELBOURNE, 3000

Dear Sir,

I, John Gilbert May, being a member of A.N.Z. Group Holdings Limited, hereby nominate the firm Peat, Marwick, Mitchell & Co., Chartered Accountants, for appointment as auditors of the Company at the Annual General Meeting to be held on 17th January, 1977, or any adjournment thereof.

Yours faithfully,

John May

26th November, 1976.
A.N.Z. GROUP HOLDINGS LIMITED

Directors

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

Directors
The Hon. E. L. Baillieu
M. Brunckhorst
C. J. Harper
W. J. Holcroft
Sir John Holland
M. W. Jacomb
Sir Ian McLennan, K.B.E.
G. M. Niall
L. M. Pappas
The Right Hon. Lord Remnant
W. J. Vines, C.M.G.

Administrative Headquarters and Registered Office
351 Collins Street,
Melbourne, Victoria, 3000

Secretary
L. C. Graham

Solicitors
Blake & Riggall

Auditors
Peat, Marwick, Mitchell & Co.

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED

Senior Management

Managing Director
M. Brunckhorst

General Managers
T. M. Williamson
J. D. Milne

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

General Manager — Europe
R. C. Wheeler-Bennett

New Zealand General Manager
K. R. Porter

For location of Senior Management refer to pages 42 and 43.
Report of the Directors

The directors of A.N.Z. Group Holdings Limited have pleasure in presenting to shareholders the audited balance sheet and profit and loss statement of the Company as at 30th September, 1976. Consolidated balance sheet and consolidated profit and loss statement of the Company and its subsidiaries are annexed. Extracts from the accounts of the principal subsidiaries are appended for information.

Directors

The directors of A.N.Z. Group Holdings Limited in office at the date of this report are:

The directors of A.N.Z. Group Holdings Limited wish to place on record their appreciation of the following who served as directors of Australia and New Zealand Banking Group Limited during the year but retired on 30th September, 1976:
Mr. C. H. Rennie retired as Managing Director of Australia and New Zealand Banking Group Limited on 31st March, 1976 and Mr. M. Brunkhorst succeeded him from 1st April, 1976.

The following directors were appointed during the year and in accordance with the Company’s Articles of Association are eligible and offer themselves for re-election:
Mr. M. Brunkhorst was appointed during the year by the subscribers to the Memorandum of Association and consequently is not required to stand for re-election.

Activities

The principal activities of the companies in the Group during the year were trading and savings banking, hire purchase and general finance, mortgage and instalment loans, leasing, investment and portfolio management and advisory services, nominee and custodian services, travel services and international banking. Detailed activities/services are listed on page 44 of this report. No significant changes in the nature of the Group’s activities have occurred during the year.

At 30th September, 1976, the Company and its subsidiaries had 1,295 branches, sub-branches, agencies and representative offices. These were geographically located as follows:

<table>
<thead>
<tr>
<th>Branches and Sub-Branches</th>
<th>Agencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>930</td>
</tr>
<tr>
<td>New Zealand</td>
<td>152</td>
</tr>
<tr>
<td>Papua New Guinea</td>
<td>6</td>
</tr>
<tr>
<td>Pacific Islands:</td>
<td></td>
</tr>
<tr>
<td>Fiji</td>
<td>4</td>
</tr>
<tr>
<td>New Hebrides</td>
<td>2</td>
</tr>
<tr>
<td>Solomon Islands</td>
<td>1</td>
</tr>
<tr>
<td>United Kingdom:</td>
<td></td>
</tr>
<tr>
<td>London</td>
<td>4</td>
</tr>
<tr>
<td>Channel Islands</td>
<td>1</td>
</tr>
<tr>
<td>North America:</td>
<td></td>
</tr>
<tr>
<td>New York</td>
<td>-</td>
</tr>
</tbody>
</table>

Representative Offices:
- Tokyo
- Hong Kong
- Singapore

Subsidiaries

Australia and New Zealand Banking Group (PNG) Limited was incorporated in Papua New Guinea on 28th May, 1976 as a wholly-owned subsidiary of Australia and New Zealand Banking Group Limited, with an authorised capital of K5,000,000 and issued and paid-up capital of K5 (subsequently increased to K2,000,000 on 6th October, 1976).
At 30th September, 1975 the Group held a 63.21 per cent interest in 57 Willis Street Limited. During the year ended 30th September, 1976, 1,262,000 shares held by the Group were sold to outside parties to enable them to acquire interests in the building owned by the company. As a consequence of these sales the Group share interest reduced to 38.71 per cent at 30th September, 1976, but a majority of the voting rights has been maintained.

Scheme of Arrangement

Under the Scheme of Arrangement dated 11th June, 1976 Australia and New Zealand Banking Group Limited and its subsidiaries became wholly-owned subsidiaries of A.N.Z. Group Holdings Limited, a holding company formed to facilitate the transfer of residence of Australia and New Zealand Banking Group Limited from the United Kingdom to Australia.

Accounts

In accordance with an Order of the Commissioner of Corporate Affairs, Victoria, all amounts shown in this Report and the accompanying accounts have been rounded off to the nearer thousand dollars unless otherwise specifically stated.
Profits
The consolidated net profit of the Group for the year ended 30th September, 1976 after income tax and before extraordinary items amounted to $36,855,000, an increase of $9,464,000 on the previous year's results.

The contribution of each company in the Group to consolidated net profit (before extraordinary items), after eliminating inter-company dividends, is as follows:—

<table>
<thead>
<tr>
<th>Company</th>
<th>1976</th>
<th>1975</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.N.Z. Group Holdings Limited</td>
<td>Nil</td>
<td>—</td>
</tr>
<tr>
<td>Australia and New Zealand Banking Group</td>
<td>9,892</td>
<td>8,788</td>
</tr>
<tr>
<td>Limited</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ANZ Custodians Limited</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>ANZ Discounts Limited</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>ANZ Holdings Limited</td>
<td>90</td>
<td>105</td>
</tr>
<tr>
<td>ANZ Investments Limited</td>
<td>124</td>
<td>68</td>
</tr>
<tr>
<td>ANZ Managed Investments Limited</td>
<td>8</td>
<td>22</td>
</tr>
<tr>
<td>ANZ Managed Investments (N.S.W.) Limited</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>ANZ Managed Investments (Qld.) Limited</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>ANZ Managed Investments (S.A.) Limited</td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td>ANZ Managed Investments (W.A.) Limited</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>ANZ Managed Investments (Tas.) Limited</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>ANZ Managed Investments (A.C.T.) Limited</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>ANZ Managed Investments (N.T.) Limited</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>ANZ Nominees Limited</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>ANZ Overseas Finance Limited</td>
<td>(3)</td>
<td>127</td>
</tr>
<tr>
<td>ANZ Pensions Limited</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>ANZ Pensions (Overseas) Pty. Limited</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>ANZ Properties (Australia) Limited</td>
<td>384</td>
<td>302</td>
</tr>
<tr>
<td>Australia and New Zealand Banking Group</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Channel Islands) Limited</td>
<td>69</td>
<td>45</td>
</tr>
<tr>
<td>ANZ Nominees (Guernsey) Limited</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>ANZ Finance (Jersey) Limited</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Australia and New Zealand Savings Bank</td>
<td>7,214</td>
<td>4,366</td>
</tr>
<tr>
<td>Limited</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ANZ Savings Bank (New Zealand) Limited</td>
<td>447</td>
<td>529</td>
</tr>
<tr>
<td>Australia and New Zealand Banking Group</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(PNG) Limited</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ANZ Services Limited</td>
<td>Nil</td>
<td>—</td>
</tr>
<tr>
<td>Britannia Investment Company Pty. Limited</td>
<td>17</td>
<td>17</td>
</tr>
<tr>
<td>Esanda Limited</td>
<td>18,530</td>
<td>12,917</td>
</tr>
<tr>
<td>Esanda (Wholesale) Pty. Limited</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Esanda Nominees Limited</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>ES&amp;A Holdings Limited</td>
<td>3</td>
<td>18</td>
</tr>
<tr>
<td>ES&amp;A Nominees (Australia) Pty. Limited</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>ES&amp;A Properties (Australia) Limited</td>
<td>39</td>
<td>37</td>
</tr>
<tr>
<td>ES&amp;A Properties (U.K.) Limited</td>
<td>9</td>
<td>18</td>
</tr>
<tr>
<td>ES&amp;A (Security) Pty. Limited</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Melbourne Safe Deposit Pty. Limited</td>
<td>4</td>
<td>3</td>
</tr>
</tbody>
</table>

36,855 27,391

Dividends
The amount which the directors of A.N.Z. Group Holdings Limited recommend should be paid by way of dividend, and the amount paid by way of dividend by Australia and New Zealand Banking Group Limited to shareholders since the end of the previous financial year, are as follows:

Australia and New Zealand Banking Group Limited:
An interim dividend of 4.7p per share was paid on 9th July, 1976.

A.N.Z. Group Holdings Limited:
A final dividend in respect of the year ended 30th September, 1976 of 10 cents per share is recommended.

To determine members' entitlements to the final dividend, the transfer books will close at 5 p.m. on 4th January, 1977.

The final dividend will be recommended at the Annual General Meeting and will be payable on 27th January, 1977.

Dividends paid to or declared in favour of A.N.Z. Group Holdings Limited and Australia and New Zealand Banking Group Limited by subsidiaries between the end of the previous financial year and the date of this report are as follows:—

<table>
<thead>
<tr>
<th>Company</th>
<th>Date</th>
<th>Amount</th>
<th>Paid or to be Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) A.N.Z. Group Holdings Ltd.</td>
<td>15th Dec.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australia and New Zealand</td>
<td>1976</td>
<td>6,009</td>
<td></td>
</tr>
<tr>
<td>Banking Group Limited</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(ii) Australia and New Zealand</td>
<td>7th Oct.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Banking Group Limited</td>
<td>1976</td>
<td>750</td>
<td></td>
</tr>
<tr>
<td>Australia and New Zealand</td>
<td>7th Oct.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Savings Bank Limited</td>
<td>1976</td>
<td>2,000</td>
<td></td>
</tr>
<tr>
<td>Esanda Limited</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ANZ Holdings Limited</td>
<td>20th Sept.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1976</td>
<td>102</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Reserves and Provisions
The amounts and particulars of material transfers to or from reserves or provisions by companies in the Group, other than transfers to contingencies reserves of banking companies during the year, are as follows:—
1. Banking companies*
   Australia and New Zealand Banking Group Limited:
   - Transfer to reserve fund: 4,066
   - Transfer to share premium reserve: 10,707

   Australia and New Zealand Savings Bank Limited:
   - Transfer to reserve fund: 6,000

2. Non-banking companies
   ANZ Savings Bank (New Zealand) Limited:
   - Transfer to reserve fund: 395
   ANZ Holdings Limited:
   - Transfer to capital reserve fund: 1,830
   - Transfer to provision for depreciation and amortisation: 155
   ANZ Properties (Australia) Limited:
   - Transfer to capital reserve fund: 116
   - Transfer to provision for depreciation: 446
   ES&A Holdings Limited:
   - Transfer to capital reserve fund: 3,413
   - Transfer to provision for depreciation and amortisation: 77
   Esanda Limited:
   - Transfer to general reserve: 15,000
   - Transfer to provision for contingencies: 400
   - Transfer to general provision for doubtful debts: 580
   - Transfer to provision for depreciation: 459

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

Property Values
In the opinion of the directors, the market value of the investment in premises of the Company and its subsidiaries is currently not less than $91 million in excess of the value shown in the balance sheet, on an existing use basis.

Share and Debenture Issues
Particulars of shares and debentures issued by companies in the Group during the year were:

   - On 15th April, 1976 this company was incorporated in the State of Victoria and 5 shares of $1 each fully paid were issued at par for cash.
   - Subsequently on 6th August, 1976, 60,087,273 $1 ordinary shares were issued as fully paid on the basis of three shares of $1 each in A.N.Z. Group Holdings Limited for every two shares of £1 sterling each in Australia and New Zealand Banking Group Limited. The issue was in accordance with the Scheme of Arrangement dated 11th June, 1976.

   - In May, 1976, 3,338,182 ordinary £1 fully paid shares were issued on a one-for-eleven basis at 350 pence per share. The issue was to provide for increased expansion of the business of the Bank.

3. Australia and New Zealand Banking Group (PNG) Limited.
   - On 28th May, 1976, upon incorporation in Papua New Guinea, 5 K1 fully paid ordinary shares were issued to the subscribers. Subsequently on 6th October, 1976 a further issue of 1,999,955 K1 fully paid ordinary shares was made to the parent company to enable Australia and New Zealand Banking Group (PNG) Limited to acquire the Papua New Guinea business of Australia and New Zealand Banking Group Limited.

4. ANZ Properties (Australia) Limited.
   - On 23rd June, 1975 a public debenture issue opened to assist in the finance of properties for use by Australia and New Zealand Banking Group Limited and its subsidiaries.
   - The issue closed fully subscribed on 19th November, 1975. Details of debentures issued from 1st October, 1975 to date of closure are:

<table>
<thead>
<tr>
<th>Interest Rate Per Annum</th>
<th>Term (Years)</th>
<th>Maturity Date</th>
<th>Amount (Thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>12%</td>
<td>5</td>
<td>30/9/80</td>
<td>4,007</td>
</tr>
<tr>
<td>12.25%</td>
<td>7</td>
<td>30/9/82</td>
<td>131</td>
</tr>
<tr>
<td>12.5%</td>
<td>9</td>
<td>30/9/84</td>
<td>107</td>
</tr>
<tr>
<td>13%</td>
<td>12</td>
<td>30/9/87</td>
<td>2,706</td>
</tr>
</tbody>
</table>

   A special issue of Series 1 debentures was made on 19th November, 1975. Details are as follows:

<table>
<thead>
<tr>
<th>Interest Rate Per Annum</th>
<th>Term (Years)</th>
<th>Maturity Date</th>
<th>Amount (Thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>12%</td>
<td>5</td>
<td>30/9/80</td>
<td>250,000</td>
</tr>
</tbody>
</table>

5. Esanda Limited
   - Australia and New Zealand Banking Group Limited took up and paid for in cash 2,000,000 $1 fully paid shares on 28th September, 1976, to maintain an adequate capital base to service the Company’s operations.
   - Details of debenture stock and unsecured notes movements during the year are:
Balance of debenture stock and unsecured notes at 30th September, 1975 498,176
Issued during the year 260,561
Redeemed during the year 105,364
Balance of debenture stock and unsecured notes at 30th September, 1976 673,373
Loans and deposits held at 30th September, 1976 30,200
Total borrowed funds at 30th September, 1976 703,573

Esanda Limited is one of a number of companies which has been relieved from compliance with the requirements of sub-section 1(e) of section 162A of the Victorian Companies Act 1961 by order of the Commissioner of Corporate Affairs.

**Personnel**

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

<table>
<thead>
<tr>
<th>Number of Employees</th>
<th>Aggregate Remuneration</th>
</tr>
</thead>
<tbody>
<tr>
<td>20,093</td>
<td>161,291</td>
</tr>
</tbody>
</table>

**Associated Companies**

On 1st October, 1976, Crocker National Bank gave notice that its subsidiary, Crocker International Investment Corporation, intended to withdraw as a shareholder in Australian International Finance Corporation Limited. The four remaining shareholders, including Australia and New Zealand Banking Group Limited, have agreed to purchase the shares, subject to the approval of the appropriate authorities, and thus the Group's shareholding will rise from 20 per cent to 25 per cent.

On 11th November, 1976 it was announced that the Group planned to increase from 14 per cent to 72 per cent its effective interest in UDC Group Holdings Limited, through purchase of the shares presently held by United Dominion Trust in Endeavour Investments (New Zealand) Limited, which will make this latter company a wholly-owned subsidiary.

**Statements Relating to the Accounts**

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

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

At the date of this report:

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

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

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

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

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

(vi) the results of the operations of the Company and its subsidiaries for the year to 30th September, 1976 were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature, except as may be referred to herein or in the Chairman's Statement, commencing on page 12.
(vii) in the interval between the end of the financial year and the date of this report there has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of any company in the Group for the next succeeding financial year.

(viii) 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 directors' emoluments shown in the accounts or the fixed salaries of directors who are full-time employees of the Company or its subsidiaries), by reason of a contract made by the Company, or a related company, with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest with the exception of —

(a) benefits that may be deemed to have arisen because of legal fees paid to Blake & Riggall, in which Mr. G. M. Niall is a partner, and to Bell, Gully & Co., in which Mr. L. M. Papps is a partner,

and

(b) benefits that may be deemed to have arisen because of sub-underwriting commissions, in connection with the recent rights issue by Australia and New Zealand Banking Group Limited, paid to Hoare Govett Limited, of which The Hon. E. L. Baillieu is a principal.

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

The directors' holdings, beneficial and non-beneficial, in the share capital of the Company are detailed on page 10.

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

Signed at Melbourne for and on behalf of the board of directors in accordance with a resolution of the directors this 30th day of November, 1976.

G. M. Niall, Director

M. Brunckhorst, Director
## Analysis of Shareholdings

as at 15th November, 1976

<table>
<thead>
<tr>
<th>Holdings</th>
<th>Accounts</th>
<th>%</th>
<th>Shares</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 500</td>
<td>10,036</td>
<td>42.7</td>
<td>2,693,889</td>
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<tr>
<td>501 to 1,000</td>
<td>6,680</td>
<td>28.4</td>
<td>4,839,883</td>
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<td>1,001 to 5,000</td>
<td>5,958</td>
<td>25.4</td>
<td>10,998,112</td>
<td>18.3</td>
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<td>5,001 to 10,000</td>
<td>355</td>
<td>1.5</td>
<td>2,418,232</td>
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<tr>
<td>Over 10,000</td>
<td>474</td>
<td>2.0</td>
<td>39,137,162</td>
<td>65.1</td>
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<tr>
<td></td>
<td>23,503</td>
<td>100.0</td>
<td>60,087,278</td>
<td>100.0</td>
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</table>

<table>
<thead>
<tr>
<th>Holders</th>
<th></th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Nominee, investment and trustee companies</td>
<td>1,645</td>
<td>7.0</td>
<td>22,263,589</td>
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<td>Insurance companies</td>
<td>151</td>
<td>0.6</td>
<td>9,688,006</td>
<td>16.1</td>
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<td>Individuals and others</td>
<td>21,707</td>
<td>92.4</td>
<td>28,135,683</td>
<td>46.8</td>
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<td></td>
<td>23,503</td>
<td>100.0</td>
<td>60,087,278</td>
<td>100.0</td>
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</table>

<table>
<thead>
<tr>
<th>Directors' Holdings</th>
<th>Beneficial</th>
<th>Non-beneficial</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As at 21st October, 1976</td>
<td>As at 21st October, 1976</td>
</tr>
<tr>
<td>Angus Mackinnon</td>
<td>3,766</td>
<td>2,000</td>
</tr>
<tr>
<td>The Hon. E. L. Baillieu</td>
<td>756</td>
<td>1,229</td>
</tr>
<tr>
<td>M. Brunckhorst</td>
<td>409</td>
<td>—</td>
</tr>
<tr>
<td>C. J. Harper</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>W. J. Holcroft</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Sir John Holland</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>M. W. Jacomb</td>
<td>465</td>
<td>—</td>
</tr>
<tr>
<td>Sir Ian McLennan</td>
<td>490</td>
<td>—</td>
</tr>
<tr>
<td>G. M. Niall</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>L. M. Papps</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>The Right Hon. Lord Remnant</td>
<td>756</td>
<td>—</td>
</tr>
<tr>
<td>W. J. Vines</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>6,642</td>
<td>3,229</td>
</tr>
</tbody>
</table>

* These dates are in accordance with the Australian Associated Stock Exchanges official list requirements. There were no changes in directors' shareholdings in the Company between 21st October, 1976 and 26th November, 1976.
As at 15th November, 1976, the twenty largest shareholders held 17,318,479 shares which is equal to 28.8% of the total issued capital of 60,087,278 fully paid shares of $1 each. They were:—

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>No. of Shares</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barclays Bank International Limited</td>
<td>3,445,726</td>
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</tr>
<tr>
<td>Gracechurch Trust Co. Ltd.</td>
<td>2,477,920</td>
<td>4.1</td>
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<tr>
<td>The Securities Management Trust Ltd. A.A. A/c</td>
<td>1,227,319</td>
<td>2.0</td>
</tr>
<tr>
<td>A.N.Z. Nominees Limited</td>
<td>1,051,383</td>
<td>1.7</td>
</tr>
<tr>
<td>The Pearl Assurance Co. Ltd.</td>
<td>1,028,398</td>
<td>1.7</td>
</tr>
<tr>
<td>William and Glyn's Bank Ltd. BEB A/c</td>
<td>837,828</td>
<td>1.4</td>
</tr>
<tr>
<td>Legal and General Assurance Society Limited</td>
<td>816,790</td>
<td>1.4</td>
</tr>
<tr>
<td>C.T.B. Nominees Ltd. Sydney Account</td>
<td>749,346</td>
<td>1.2</td>
</tr>
<tr>
<td>Barings Nominees Limited</td>
<td>591,078</td>
<td>.9</td>
</tr>
<tr>
<td>Bank of Scotland (Stanlife) London Nominees Ltd.</td>
<td>563,727</td>
<td>.9</td>
</tr>
<tr>
<td>The National Mutual Life Association of Australasia Ltd.</td>
<td>536,300</td>
<td>.9</td>
</tr>
<tr>
<td>U.S.F. Nominees Ltd.</td>
<td>522,952</td>
<td>.9</td>
</tr>
<tr>
<td>Guardian Assurance Company Ltd.</td>
<td>503,002</td>
<td>.8</td>
</tr>
<tr>
<td>Eagle Star Insurance Co. Ltd. 'H' A/c</td>
<td>500,000</td>
<td>.8</td>
</tr>
<tr>
<td>Prudential Assurance Co. Ltd.</td>
<td>450,000</td>
<td>.7</td>
</tr>
<tr>
<td>Anglo-Australian Nominees Pty. Ltd.</td>
<td>430,775</td>
<td>.7</td>
</tr>
<tr>
<td>Regent Bank of Scotland, Nominees Ltd.</td>
<td>425,454</td>
<td>.7</td>
</tr>
<tr>
<td>The Colonial Mutual Life Assurance Society Ltd.</td>
<td>409,090</td>
<td>.7</td>
</tr>
<tr>
<td>Refuge Assurance Co. Ltd.</td>
<td>383,400</td>
<td>.6</td>
</tr>
<tr>
<td>Commercial Union Assurance Co. Ltd. A A/c</td>
<td>368,181</td>
<td>.6</td>
</tr>
</tbody>
</table>

**Voting Rights of Shareholders**

The articles provide for:—
- on a show of hands: 1 vote
- on a poll: 1 vote for each share held
Chairman’s Statement

The decision to transfer the Bank’s residence from the United Kingdom to Australia from 1st October, 1976, undoubtedly has been the major development during the year. Indeed, the decision is one of the most momentous in our Bank’s long history.

As was emphasised at the time of the announcement, on 29th April, 1976, the Board believed it to be in the best interests of the Bank and its shareholders, staff and customers, for residence and incorporation to be transferred to Australia, as our administrative headquarters already were situated in Melbourne and the major part of our business is conducted in Australia.

As part of the transfer arrangements, major changes in the composition of the board of Australia and New Zealand Banking Group Limited took effect from 1st October.

At this point, I want to pay tribute to the directors who retired on 30th September — Mr. C. A. W. Dawes, Mr. A. D. Marsh, Colonel A. T. Maxwell, Mr. P. E. Nesbitt, Mr. R. T. Renton, Mr. D. J. Robarts, Sir Alexander Ross and Mr. R. C. Wheeler-Bennett — and to thank them all for the contributions they made to the progress of the Bank during their various periods of board service. The service of several of the retiring directors extends well back into the history of our present banking group and its predecessor banks. The continued growth and diversification of the Bank’s operations has, in no small measure, been attributable to their foresight and dedication. Mr. Wheeler-Bennett, of course, remains with us in his new capacity as General Manager—Europe.

I would like to extend a warm welcome to our new Australian and New Zealand directors. To Mr. M. Brunckhorst, who was appointed managing director from 1st April, 1976, I again express, on behalf of the Board, our good wishes for a successful term of office.

To facilitate the transfer of residence, a new Australian company, A.N.Z. Group Holdings Limited, was formed to acquire all the issued shares of Australia and New Zealand Banking Group Limited. Shareholders registered on 5th August, 1976, received three fully-paid $1 shares in the Australian company for every two £1 shares held previously. The £1 shares of Australia and New Zealand Banking Group Limited were traded on stock exchanges in Australia, London and New Zealand for the last time on 6th August, 1976 and from 9th August, 1976 the $1 shares of the Australian company were listed in their place.

As indicated in the Scheme of Arrangement document forwarded to shareholders on 11th June, 1976, the use of A.N.Z. Group Holdings Limited as a holding company is an interim measure designed to expedite the re-classification of shareholdings as foreign currency securities under United Kingdom exchange control regulations. When the necessary legal work is completed, your Board will submit proposals to enable further steps to be taken to complete the transfer arrangements.

These will involve shareholders receiving Australian-denominated shares in Australia and New Zealand Banking Group Limited, the principal operating company, in exchange for their shares in A.N.Z. Group Holdings Limited.

There has been active stock exchange trading in London and Australia in the shares of the new Australian company. As a result, the proportion of the Company’s issued capital registered in Australia has increased steadily.

Between 9th August and 30th September, 1976, this proportion increased from 3.1 per cent to 13.3 per cent. The proportion registered in the United Kingdom fell correspondingly from 95.0 per cent to 84.8 per cent while the proportion of shares registered in New Zealand was unchanged at 1.8 per cent. An analysis of shareholdings appears on page 10 of this report. The trend towards increased shareholdings on the Australian registers has continued since 30th September, and on 22nd November, Australian holdings were 21.3 per cent, United Kingdom holdings 78.8 per cent and New Zealand holdings 1.9 per cent.

The directors have been pleased to see the substantial increase in Australian ownership of the Bank. It is also accord with the natural wishes of the Australian authorities that a major trading bank operating in Australia should be, to a significant extent, Australian-owned.

Following the re-structuring of the Group, and the formation of A.N.Z. Group Holdings Limited as the holding company, the accounts presented in this report are the first for this Company. Comparative figures for the 1975 year are those of Australia and New Zealand Banking Group Limited and its subsidiaries. The information in this report has been presented in the manner appropriate to a group comprising banking and non-banking companies, in terms of legislation, etc., current in the State of Victoria, Australia.

The Year’s Results

In view of the difficult economic conditions in the countries where most of our business is conducted, and generally increasing competition throughout the banking and finance industries, I believe the Group achieved a commendable profit increase in the latest year.

The consolidated profit after tax was $36,855,000, an increase of 34.6 per cent on the consolidated profit reported by Australia and New Zealand Banking Group Limited in the previous year.

Our operating subsidiaries in all centres faced another year of escalating costs, pressure on margins and increased
competition for available business. Accordingly, it is pleasing to record that profits of the Trading Bank in Australia improved during the year. This, and the profit recovery by the Trading Bank in New Zealand from the low level of 1975, contributed to the increase from $11,848,000 to $12,744,000 in the Trading Bank’s overall contribution to the profits of the Group. The Savings Bank in Australia followed last year’s satisfactory profit increase with another good result. However, growth of our New Zealand Savings Bank slowed and did not match the rise in operating costs, leading to a down-turn in profits. Esanda, the Group’s finance company in Australia, maintained its strong profit growth of recent years and again was a major contributor to the improved consolidated result. I will refer in more detail to the activities of the major subsidiaries later in my review.

Inflation Accounting
Before proceeding further I want to mention inflation accounting, a subject of current discussion which we are following with interest and which could have considerable impact on the reports of companies generally in the future. Much has been written in recent years about the need for a change to a form of inflation accounting. We have given detailed consideration to the various alternative bases which have been canvassed, but have deemed it appropriate, on this occasion, to continue our previous practice of presenting our accounts based on historical cost concepts. This decision has been taken largely because of the lack of general agreement on the treatment of monetary assets and liabilities and, in particular, on the application of various inflation accounting concepts to the accounts of banking and finance institutions.

Nevertheless, we are conscious of the impact which high inflation levels can have on our operations and on those of our banking customers and others with whom we have dealings. Accordingly, we shall continue to keep a close watch on developments in this field. In the case of internal management reports, forecasts etc. inflationary factors will continue to be taken into account in management decisions.

Dividends
The Board recommends that a final dividend for the year of 10 cents per share be paid on 27th January, 1977 to shareholders registered in the books of the Company at the close of business on 4th January, 1977.

Shareholders resident in Australia will receive the gross amount of this dividend. For shareholders resident outside Australia, the dividend is subject to Australian withholding tax, deductible at source. In the case of United Kingdom resident shareholders on the London register the sterling amount will be paid subject to a further deduction (currently 20 per cent) in respect of United Kingdom tax.

For shareholders on the London and Wellington registers, the final dividend will be converted at the exchange rate current on 4th January, 1977.

An interim dividend of 4.7 per cent (equivalent to 7.23 per cent gross, including the associated United Kingdom tax credit at the then current rate) was paid on 9th July, 1976 on the share capital of Australia and New Zealand Banking Group Limited, prior to the 1976 rights issue and re-structuring of the Group.

It will be recalled that the directors indicated in the circular to shareholders advising details of the Scheme of Arrangement that they expected to pay a final dividend in Australian currency of not less than 8 cents per share on the capital of A.N.Z. Group Holdings Limited. On the basis of the exchange rates at that time, this was assessed as being equivalent to a gross total distribution of 15.77 per cent for the year, compared with 14.92 per cent in 1975. Calculated on the same basis, using the proposed final dividend rate of 10 cents per share on the issued capital of the Australian company, and exchange rates current in late-November, 1976, following devaluation of the Australian and New Zealand currencies, the total amount proposed for the current year is equivalent to a notional gross dividend rate of 16.49 per cent approximately in the case of United Kingdom shareholders. For Australian and New Zealand shareholders, using exchange rates applicable at the beginning of the financial year to determine equivalent par values, the respective returns are 15.64 per cent approximately and 15.25 per cent approximately.

In 1976/77 both the interim and final dividends will be declared gross in Australian currency.

While adequacy of the level of profits earned by a company remains the main determinant of its dividend distribution policy, I can assure shareholders on behalf of the new Australian Board that your directors recognise the need for steady growth in the amount of shareholders’ dividend income.

In the absence of unforeseen circumstances the Board expects to pay an interim dividend of 8 cents per share in mid-1977.

Community Relations
The Bank has continued to involve itself in various community activities wherever it conducts business. This involvement is essential if we are to understand the needs and problems of our customers, and to properly fulfil our role as a service-oriented organisation.

Commercial sponsorships form part of the Bank’s community-based activities. This year in Australia our range of sponsorship interests included Mozart recitals at the
Adelaide Festival of Arts, an across-Australia aircraft race and first-grade cricket in New South Wales, where a new competition has begun for an ANZ Bank Cup.

Sponsorships undertaken in the other main centres where the Bank operates — the United Kingdom, New Zealand and the Pacific Islands — are equally diverse, but always with the common theme of community service.

The Bank also encourages staff to join service and other community organisations, and donates to many charitable, research and cultural causes.

The Australian Economy
The single most important factor affecting the state of the Australian economy (and of the banking industry) during the year was the change of Federal Government in December, 1975.

Through the December half of 1975, bank liquidity, fuelled by a large and rising Government deficit, grew to exceptionally high levels, and the rate of inflation remained excessively high.

Then in January, 1976, little more than a month after the advent of a new Liberal-National Country Party Government in Canberra, a package of restrictive monetary measures was introduced, with the main objective of lowering the inflation rate.

The package, particularly the introduction of relatively high-interest bearing Australian Savings Bonds and an increase in the agreed minimum ratio of major trading bank LGS assets (liquid assets and Government securities) to deposits from 18 to 23 per cent, caused a sharp and substantial drop in the "free" liquidity of the banking system.

As 1976 progressed, the Government expanded its attack on inflation to cover three broad fronts — the initial area of controls over the money supply, plus wage restraint and reduced growth in Government spending.

However, while close control was retained over growth in the money supply, official policy was to ensure that there was sufficient finance available to allow a gradual recovery in economic activity.

Thus, although an official ceiling has continued on the volume of new and increased overdraft approvals by trading banks, there has been some flexibility in setting the level of this ceiling.

During the June quarter of 1976, when the payment of company and provisional personal tax placed severe strains on bank liquidity, the monetary authorities also provided support through substantial Reserve Bank purchases of commercial bills and Government securities. In addition, between January and April, 1978, there was a reduction from 7.6 per cent to 5.6 per cent in the ratio of trading bank deposits "frozen" in Reserve Bank Statutory Reserve Deposit accounts.

Reflecting official measures to restrict money supply growth, major trading bank deposits increased by only 13.5 per cent (to $16.456 million) during the year to September. This compared with a 28.9 per cent increase in the previous year.

Total advances outstanding of the major trading banks rose by 13.0 per cent (to $11,369 million), compared with a 14.6 per cent increase in the previous year.

By September, 1976, the Government's policies appeared to be having some effect in reducing Australia's inflation rate. Consumer prices rose 13.9 per cent in the year to September, compared with a peak rate of increase of 17.6 per cent in the year to March, 1975. Successive quarterly increases declined during this period, reaching 2.2 per cent in the September quarter of 1978.

However, while the inflation rate slowed, unemployment remained relatively high, and private fixed capital investment and national production of goods and services, particularly in the rural sector, was sluggish.

Interest rate trends during the year were dictated largely by official policy initiatives. Easy liquidity conditions in the first six months saw an easing of most rates, but after the January, 1976 monetary package there was upward pressure on rates, particularly for short terms. This trend was accentuated by the seasonal tax drain in the June quarter.

While rates payable by banks for funds declined after the June quarter, they remained relatively high, consistent with official policy. The official monetary measures of early November, and the 17.5 per cent devaluation of the Australian dollar announced on 28th November, were accompanied by further rises in interest rates on short-term Government securities and by indications that bank credit would need to be tightened progressively in 1977.

Trading Bank in Australia
In line with the industry trend, the Bank's total deposits rose only 12.7 per cent during the year, compared with an increase of 33.7 per cent in the previous year. Of our total deposits of $33,314 million in September, 1976, 62.8 per cent were interest bearing, compared with 61.1 per cent a year earlier. With investors increasingly yield-conscious, the tendency for a higher proportion of deposits to bear interest seems likely to continue in 1976-77.

Bankcard, the Australian banks' jointly-sponsored charge card system, launched in October, 1974, made further progress during the year. By mid-November, 1976, Bankcard was operating in all Australian states and main-
land territories. The system now will direct its attention to
the few remaining outback areas of Queensland and
Western Australia and to a consolidation of its overall
market position.

Bankcard has established a valuable new link between
consumers and the Australian banking industry and has
been well accepted in the market place. The number of
active cardholders is more than the pre-launch target and the
number of merchants is more than 20 per cent higher.
Turnover also is considerably greater than pre-launch esti-
mates. The monthly rate of growth of new account holders
still is running at close to the rate immediately following
the launch.

Despite this ready acceptance of Bankcard, fraud and
delinquency have been encouragingly low.

A less encouraging feature is that because of increasing
costs, an experience shared by service industries
generally, ANZ Bankcard profitability now is expected to be
achieved up to two years later than was planned originally.
All participating banks are concentrating on the marketing
challenge of increasing their active cardholder base while
keeping a tight control over operating costs.

Computer processing in the Bank throughout Australia was
extended further during the year, including commence-
ment of operations in Queensland and South Australia.
More than 64 per cent of the Bank’s trading accounts now
are processed by computer.

During the past year good progress also has been achieved
on our new Administrative Headquarters building at Collins
Place, Melbourne. It has been a period relatively free of in-
dustrial disputes. A continuation of present progress should
permit us to occupy ANZ Tower in the last quarter of 1977.

**Savings Bank in Australia**

As I discussed earlier in this review, the Bank, in addition to
performing an economic function in the community, is con-
cerned to play a meaningful social role.

In the light of those comments, it has been gratifying to see
the provision of housing loan finance by our savings bank
at a relatively high level in 1975-76. In the year to Septem-
ber, 1976, our loan approvals for housing totalled $228
million, which was 24.6 per cent higher than the total of
$183 million in the previous year.

A not unexpected trend has been the movement of more of
our savings bank deposits into higher yielding accounts,
particularly investment accounts. At 30th September,
1976, 41.5 per cent of our total savings bank deposits of
$1,485 million were in investment accounts, compared
with 37.1 per cent a year earlier.

**Esanda Limited**

Our general finance and hire purchase subsidiary followed
its record profit growth of 1974/75 with another sound per-
formance in 1975/76, when operating profit after tax in-
creased 43.5 per cent to $18,530,000.

The latest profit improvement stemmed mainly from growth
in receivables. In addition, gross margins improved in spite
of a steady increase in the cost of funds.

The ability to hold bad debts to a relatively low level was an
important factor in this year’s result, as it has been in the
company’s performance in past years.

Net receivables at 30th September, 1976 stood at $774
million, an increase of 33 per cent for the year. The growth
was achieved in all segments of the company’s business
but principally in those areas associated with consumer
and commercial chattel finance, such as hire purchase and
leasing. Commercial and real estate finance showed
moderate growth of 18 per cent for the year and at 30th
September this category of loans represented some 7 per
cent of total net receivables.

Directors have made provision for payment of an
unchanged dividend of $2 million to the parent Trading
Bank.

Paid-up capital was increased by $2 million to $28.5
million during the year to support the growth of business.

**Associated Companies**

Australian International Finance Corporation Limited, the
Bank’s Melbourne-based merchant banking affiliate, had an
encouraging trading improvement in the year to 30th
June, 1976 when consolidated profit was $1,177,962. This
compared with a loss of $510,990 in the previous year.

On 1st October, 1976, Crocker National Bank gave notice
that its subsidiary, Crocker International Investment
Corporation, intended to withdraw as a shareholder in the
company. The four remaining shareholders (our Bank, Bank
of Montreal, Irving Trust Company, and The Mitsubishi
Bank, Limited) have agreed to purchase the Crocker
shares, subject to approval by the appropriate regulatory
authorities. As a result the shareholding of each of these
four banks will rise from 20 per cent to 25 per cent.

On 11th November, 1976, the Bank announced plans to in-
crease from 14 per cent to 72 per cent its effective interest
in UDC Group Holdings Limited, a major, publicly-listed fi-
nance group operating throughout New Zealand. The cost
of the purchase is about NZ $5.8 million.

It is the desire of the Bank and the New Zealand authorities
that the New Zealand public, who hold 28 per cent of the
shares in UDC Group Holdings should, in due course, have
the opportunity to increase substantially this level of participation.

Directors are pleased to make this additional investment in a major New Zealand company, which, together with associated companies, earned a trading profit of NZ $710,000 in the year to 31st March, 1976.

**New Zealand Economy**

As in Australia, a change of government had an important impact on economic conditions during the year. In New Zealand's case, a National Government was elected in November, 1975 to replace the previous Labor Administration.

The Government has aimed to achieve major structural changes in the economy by reducing domestic spending and providing every encouragement to exports in an effort to offset the chronic balance of payments weakness.

Despite these measures, the terms of trade improved only marginally during the year. Strong increases in wool and meat prices were offset largely by rapidly rising import prices, particularly for machinery and transport equipment.

**Trading Bank in New Zealand**

As part of its programme of economic change, in March, 1976 the Government swept away many of the interest rate restrictions which have been distorting the financial sector for many years.

New measures included removal of restrictions on banks' average overdraft rates, abolition of controls on most term deposit rates and increases in yields on Government securities.

The changes gave trading banks greater freedom to compete for deposits and lending business against other financiers, and the banks have eagerly accepted this new opportunity.

In addition, the Government has sought to cut back on the lending activities of its own agencies wherever the private sector is better suited to supply funds.

In the year to September, 1976 our trading bank deposits rose by NZ$101 million to NZ$592 million. Our industry share eased from 22.5 per cent to 22.2 per cent, largely because of our decision not to match high interest rates offered by some other banks during March-May, when our bank enjoyed a healthy margin of liquidity.

Partly in response to the March economic package, system total lending grew during the year to September by NZ$314 million, or 19.2 per cent (1.6 per cent in the previous year). ANZ total lending rose by 23.5 per cent (from NZ$366 million to NZ$451 million).

We have taken advantage of the new freedom to compete with other lenders and have moved aggressively into untraditional, but relatively high yielding areas, such as leasing and second mortgages for housing.

Deposit rates offered by both trading and savings banks and finance companies generally have risen following the March announcements. As an earnings offset to the increased cost of funds most lending rates also have moved up.

**Savings Bank in New Zealand**

Savings bank investment deposit rates were increased sharply in March, 1976. A small reduction in the statutory Government security requirement on these deposits allowed the proportion of funds available for mortgage lending to rise slightly.

In the year to September, 1976 our deposits rose by NZ$18 million, or 15.1 per cent, to NZ$5140 million. The Savings Bank's profit, after tax, fell by 11.2 per cent to NZ$565,000.

**Pacific Region**

The major development in this region was the incorporation, in May, 1976, of a new company, Australia and New Zealand Banking Group (PNG) Limited, in Port Moresby, to take over operation of the Bank in Papua New Guinea from October, 1976. We welcome Mr E. D. Cleland, a long term resident of Papua New Guinea, who joins bank representatives Mr M. Brunckhorst, Mr T. M. Williamson and Mr T. A. Wightman on the board of the new company.

**Europe**

The seriously depressed economy of the United Kingdom, coupled with increasingly tight controls over international financing in sterling, have made conditions difficult for the London operations of the Bank. Good business in connection with trade and investment continues to be done with continental Europe, but in the general climate prevailing it has not been possible to achieve a significant overall growth of business.

Despite these adverse conditions revenue has been maintained. However rising costs continue to erode the net London contribution to overall trading bank profits. Every effort is being made to contain these costs without impairing the ability of the Bank in London to provide the skilled international services which many customers with overseas business use extensively and, I believe, find valuable.

**Representation**

During the past year nine new branches were opened in areas with new business and profit potential.

A total of 11 branches were closed, eight as a result of mergers. This brought to 230 the number of amalgamations since the 1970 ANZ-ES&A merger. Another 17 uneconomically
cal sub-branches and agencies were closed during the year.

Our Representative Office in New York was converted to an Agency during the year. This has resulted in our participation in a much wider range of banking services in the USA, and will contribute directly to bank profitability in the future.

The Area Banking concept has been further expanded over the year, with the establishment of Area Branches in another four centres — Auckland South, South Sydney and South Yarra and Warrnambool in Victoria. At 30th September a total of 54 branches were operating under the five Area Branches throughout Australia and New Zealand. The concept appears to have been well received by customers and staff. Over the next two years we plan to open many more Area Branches, both in Australia and New Zealand.

Senior Staff Retirements
As foreshadowed last year, Mr. C. H. Rennie retired as managing director on 31st March, 1976, so ending an outstanding career of more than 47 years in the Bank. His contribution was of the highest order, particularly during his last nine years of service, when he occupied the senior executive post in the former ANZ Bank and later the merged Bank. His dedication, wisdom and ability were vital elements in the merger planning and operation, and many staff under his control learnt to appreciate the warmth of his personality and his thoughtfulness and consideration towards them at all times. Mr. Rennie also was one of the architects and driving forces behind the successful achievement of the Bank’s domicile transfer.

Mr. J. C. Paton, Assistant General Manager-Technical Services, also retired during the year. His energy and enthusiasm showed to particular advantage in the successful establishment and development of data processing in the Bank, and for this we are grateful to him.

The Board extends to both these former executives all good wishes for their retirement.

Staff
No review of this nature would be complete without a tribute to the Bank’s staff. It is my pleasure to express very warmly the Board’s thanks to the staff for their efforts during the past year. Faced with an ever-increasing diversity of services and advancement of technology within our industry, in line with the changing needs of customers and the public generally, our staff have continued to meet the challenges which have confronted them. They have maintained the high standard of service and dedication so vital to the success of the organisation. To every staff member, in every area of the Bank’s operations, I extend the Board’s appreciation and best wishes.

Outlook
The importance of controlling inflation around the world is no less critical now than when I referred to this serious problem a year ago. The urgency has increased, if anything, in Australia, which has had less success in reducing inflation than some other countries, and where the new Federal Government has made it clear that economic restrictions will not be relaxed until the rate of price increases shows an appreciable reduction.

During this testing period the Australian business sector, which supported the Government’s election platform of a gradual return to economic stability, has shown some impatience in its demands for renewed expansion before the official policies of restraint have had time to take effect.

Our Bank accepts that restrained growth is an essential component of the Australian Government’s long-term strategy. In this context, we note and commend the statement by the Federal Treasurer that the monetary adjustments announced on 7th November had been carefully designed to maintain the monetary environment as one in which, as promised in the Budget speech, there would be no grounds for fears of either excessive financial tightness or financial ease. However, devaluation of the Australian dollar from 29th November calls for appropriate policies to offset the risks of a surge of inflationary pressures arising from higher import prices, the resulting protective effect on local production, and the increase in Australian earnings of exporters. If, in addition to these effects, there is a renewal of capital inflow, the Government’s target of controlling growth in money supply could be placed in jeopardy.

A more restrictive credit policy might then be considered necessary. But recovery of business and employment could only be inhibited by such restrictions on the availability of credit and higher costs of borrowing.

There seems little likelihood of early relief from the difficult economic conditions being experienced in Australia. In the United Kingdom and New Zealand, the other countries where we have major banking operations, similar difficulties prevail. In all centres management is active in its endeavours to cope with these conditions.

While considerable success is being achieved in the area of controllable costs, tight monetary policies and strong competition for available funds, both in Australia and New Zealand, are likely to exert pressure on margins as the current year progresses. Maintenance of profitability will present a strong challenge in the year ahead.

30th November, 1976.
Balance Sheet
at 30th September, 1976

A.N.Z. Group Holdings Limited

Authorised Capital:
80,000,000 shares of $1 each  80,000

Issued Capital:
60,087,278 shares of $1 each fully paid  60,087

Proposed final dividend  6,009

Investment in subsidiary at cost  60,087
Dividend due from subsidiary  6,009

Total  66,096

Profit and Loss Account
for the period since incorporation on 15th April, 1976 to 30th September, 1976

Proposed final dividend  6,009
Dividend due from subsidiary  6,009

Total  6,009

The notes appearing on pages 22-30 are an integral part of these accounts.
A.N.Z. Group Holdings Limited and its Subsidiaries

Consolidated Profit and Loss Statement
for the year ended 30th September, 1976

<table>
<thead>
<tr>
<th>1976</th>
<th>1975*</th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
</tr>
</tbody>
</table>

Banking income after eliminating intercompany transactions:
- Discount and interest earned, net exchange, commissions, dividends and other items, after deducting interest paid on deposits, transfers to the credit of contingencies reserves and provisions for bad and doubtful debts
  (Note 2)
  356,574

Less: Expenses including directors' emoluments
  (Note 3)
  312,046
  Income, land and other taxes
  27,422
  339,468
  26,355
  291,660

NET BANKING PROFITS AFTER TAXATION AND TRANSFERS TO CONTINGENCIES RESERVES
  17,106
  13,153

Non-banking subsidiary companies' operating profit after eliminating inter-company transactions and before income tax and extraordinary items
  37,247
  26,904

Less: Income tax expense applicable thereto
  17,498
  12,666

NET PROFIT FROM NON-BANKING SOURCES
  19,749
  14,238

GROUP PROFIT BEFORE EXTRAORDINARY ITEMS
  36,855
  27,391

Extraordinary items (net) — Surplus on sale of properties (Note 2)
  3,289
  3,072

- Deferred tax — prior period adjustment (447)
  (128)

- Write-down of trade investment
  2,714

GROUP PROFIT AFTER EXTRAORDINARY ITEMS
  39,569
  30,463

Retained profits at beginning of year
  12,793
  12,051

TOTAL AVAILABLE FOR APPROPRIATION
  52,362
  42,514

Less: Appropriations

Transfer to reserve funds — Revenue
  (Note 4)
  25,468
  20,496

- Capital
  (Note 4)
  3,269
  3,073

Dividends — interim paid by Australia and New Zealand Banking Group Limited
  2,339
  2,803

— proposed final payable by A.N.Z. Group Holdings Limited
  6,009
  8,348

RETIRED PROFITS AT END OF YEAR
  15,257
  13,160

* A.N.Z. Group Holdings Limited was incorporated in Victoria on 15th April, 1976 and under the Scheme of Arrangement dated 11th June, 1976 Australia and New Zealand Banking Group Limited and its subsidiaries became wholly-owned subsidiaries of A.N.Z. Group Holdings Limited. Comparative figures for 1975 cover the position when Australia and New Zealand Banking Group Limited was the parent company for the Group.
† After adjustments for changes in rates of exchange during the year.

The notes appearing on pages 22-30 are an integral part of these accounts.
## Consolidated Balance Sheet

as at 30th September, 1976

<table>
<thead>
<tr>
<th></th>
<th>Group Consolidation</th>
<th>Banking Companies</th>
<th>Group Consolidation</th>
<th>Banking Companies</th>
<th>Non-Banking Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Authorised capital:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>80,000,000 shares of $1 each</td>
<td>80,000</td>
<td>80,000</td>
<td>81,210</td>
<td>81,210</td>
<td></td>
</tr>
<tr>
<td>Issued and paid-up capital:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>60,087,278 shares of $1 each, fully paid</td>
<td>60,087</td>
<td>60,087</td>
<td>59,641</td>
<td>59,641</td>
<td></td>
</tr>
<tr>
<td>Reserve funds</td>
<td>(Note 4)</td>
<td>183,127</td>
<td>105,074</td>
<td>78,053</td>
<td>148,485</td>
</tr>
<tr>
<td>Profit and loss</td>
<td></td>
<td>15,257</td>
<td>8,236</td>
<td>7,021</td>
<td>13,160</td>
</tr>
<tr>
<td>Shareholders' funds</td>
<td></td>
<td>258,471</td>
<td></td>
<td></td>
<td>221,286</td>
</tr>
<tr>
<td>Debentures and unsecured notes</td>
<td>(Note 5)</td>
<td>723,961</td>
<td>723,961</td>
<td></td>
<td>540,861</td>
</tr>
<tr>
<td>Current, deposit and other accounts including contingencies reserves and provisions for taxation</td>
<td>(Note 7)</td>
<td>6,239,476</td>
<td>6,053,032</td>
<td>186,444</td>
<td>5,585,564</td>
</tr>
<tr>
<td>Due to other banks</td>
<td></td>
<td>242,048</td>
<td>242,048</td>
<td></td>
<td>264,626</td>
</tr>
<tr>
<td>Refinance for loans to customers</td>
<td></td>
<td>177,161</td>
<td>177,161</td>
<td></td>
<td>147,737</td>
</tr>
<tr>
<td>Proposed final dividend</td>
<td></td>
<td>6,009</td>
<td>6,009</td>
<td></td>
<td>2,982</td>
</tr>
</tbody>
</table>

7,647,126
6,763,056
Acceptances, guarantees, etc.
750,241 748,923 1,318 738,942 738,806 136

8,397,367
7,501,998

The notes appearing on pages 22-30 are an integral part of these accounts.
<table>
<thead>
<tr>
<th></th>
<th>Group Consolidation</th>
<th>Banking Companies</th>
<th>Holding Company and Non-Banking Companies</th>
<th>Group Consolidation</th>
<th>Banking Companies</th>
<th>Non-Banking Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Notes, coin and cash at bankers</td>
<td>179,510</td>
<td>179,508</td>
<td>2</td>
<td>202,340</td>
<td>202,339</td>
<td>1</td>
</tr>
<tr>
<td>Money at call and short notice</td>
<td>122,268</td>
<td>74,793</td>
<td>47,475</td>
<td>67,013</td>
<td>40,648</td>
<td>26,365</td>
</tr>
<tr>
<td>Treasury notes and treasury bills</td>
<td>92,841</td>
<td>92,841</td>
<td></td>
<td>163,347</td>
<td>163,347</td>
<td></td>
</tr>
<tr>
<td>Cheques in course of collection and balances with other banks</td>
<td>299,034</td>
<td>296,677</td>
<td>2,357</td>
<td>310,110</td>
<td>304,739</td>
<td>5,371</td>
</tr>
<tr>
<td>Deposits with Reserve Bank of Australia</td>
<td>184,234</td>
<td>184,234</td>
<td></td>
<td>188,125</td>
<td>188,125</td>
<td></td>
</tr>
<tr>
<td>Investments, other than trade investments (\text{(Note 10)})</td>
<td>1,626,260</td>
<td>1,551,135</td>
<td>75,125</td>
<td>1,457,695</td>
<td>1,386,988</td>
<td>70,707</td>
</tr>
<tr>
<td>Bills receivable and remittances in transit</td>
<td>547,986</td>
<td>547,986</td>
<td></td>
<td>531,252</td>
<td>520,052</td>
<td>11,200</td>
</tr>
<tr>
<td>Advances and loans, etc., less provision for doubtful debts</td>
<td>3,444,577</td>
<td>3,372,082</td>
<td>72,495</td>
<td>2,924,825</td>
<td>2,866,964</td>
<td>57,841</td>
</tr>
<tr>
<td>Loans to customers under refinance arrangements</td>
<td>177,161</td>
<td>177,161</td>
<td></td>
<td>147,737</td>
<td>147,737</td>
<td></td>
</tr>
<tr>
<td>Accrued income and sundry accounts</td>
<td>54,388</td>
<td>53,470</td>
<td>918</td>
<td>49,159</td>
<td>48,389</td>
<td>769</td>
</tr>
<tr>
<td>Balances outstanding under hire purchase and other agreements, less deferred charges and provisions (\text{(Note 9)})</td>
<td>744,229</td>
<td>744,229</td>
<td></td>
<td>564,993</td>
<td>564,993</td>
<td></td>
</tr>
<tr>
<td>Trade investments at cost, less amounts written off (\text{(Note 10)})</td>
<td>4,318</td>
<td>2,456</td>
<td>1,862</td>
<td>4,576</td>
<td>2,567</td>
<td>2,009</td>
</tr>
<tr>
<td>Premises and equipment (\text{(Note 11)})</td>
<td>170,320</td>
<td>61,099</td>
<td>109,221</td>
<td>151,865</td>
<td>49,220</td>
<td>102,665</td>
</tr>
<tr>
<td><strong>Liabilities of customers and others for acceptances, guarantees, etc.</strong></td>
<td>7,847,126</td>
<td>6,763,056</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>750,241</td>
<td>748,923</td>
<td>1,318</td>
<td>738,942</td>
<td>738,806</td>
<td>136</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>8,397,367</td>
<td>7,501,998</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* A.N.Z. Group Holdings Limited was incorporated in Victoria on 15th April, 1976 and under the Scheme of Arrangement dated 11th June, 1976 Australia and New Zealand Banking Group Limited and its subsidiaries became wholly-owned subsidiaries of A.N.Z. Group Holdings Limited. Comparative figures for 1975 cover the position when Australia and New Zealand Banking Group Limited was the parent company for the Group.
Notes on the Accounts

1 Bases of Accounting

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

The Scheme of Arrangement whereby Australian dollar shares in A.N.Z. Group Holdings Limited were issued in substitution for sterling shares in Australia and New Zealand Banking Group Limited was based on an exchange rate of $1.5 to £1. This rate varies from the exchange rate at the balance date, and, upon consolidation of the Group's accounts, the exchange difference arising from the rate variation has been offset against the net conversion surplus transferred to contingencies reserve referred to in Note 1 (b). In the intervening period (having regard to the basis of the share substitution in terms of the Scheme of Arrangement) until completion of the transfer arrangements when shareholders will receive shares of Australian denomination in Australia and New Zealand Banking Group Limited in substitution for their shares in A.N.Z. Group Holdings Limited, the reserves and unappropriated profits of Australia and New Zealand Banking Group Limited retain their characteristics and are fully distributable.

(a) The accounts of Australia and New Zealand Banking Group Limited are prepared in sterling. Australian currency amounts are also shown and these represent conversions of the sterling amounts at the exchange rate ruling at the date of the balance sheets. Sterling amounts for the previous year have been converted at the rate of exchange ruling at 30th September, 1975.

(b) Overseas profits of Australia and New Zealand Banking Group Limited remitted to the United Kingdom during the year have been converted into sterling at the rate ruling at the date of remittance. Other overseas profits have been converted into sterling at the rates ruling at the end of the accounting period. Assets and liabilities of Australia and New Zealand Banking Group Limited which are expressed in currencies other than sterling have been converted at the rates ruling at the date of the balance sheets and the net surplus or deficiency arising from such conversions has been dealt with by transfer to contingencies reserve and, in the case of other subsidiaries, the net surplus or deficiency has been dealt with through reserves on consolidation.

(c) Premiums and discounts on dated investments are amortised from the date of purchase to maturity on a straight line basis. Realised profits and losses on sales of investments other than trade investments are taken to profit and loss account in equal instalments over five years commencing with the year in which disposal takes place. As the majority of redeemable quoted investments are normally held to or near maturity no provision is considered necessary for any difference between the book amounts and the market values of such individual stocks quoted below book amounts at the balance date, neither have any transfers been made from reserves or out of the current year's profits to write them down, apart from the amortisation of the premium on stocks bought above par referred to above.

(d) The charge for bad and doubtful debts in the profit and loss account of Australia and New Zealand Banking Group Limited reflects the average bad debts experience of the current year and the preceding four years and the current volume of lending. Provisions for bad and doubtful debts are deducted from advances and loans in the balance sheet. Other operating subsidiaries within the Group maintain appropriate provisions against bad and doubtful debts.

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

(f) Provision has been made for Australian taxes and for United Kingdom corporation tax (less double taxation relief) and taxes payable in other overseas centres at rates applicable to profits for the year. The 1976 provision includes an appropriate adjustment for deferred taxation in each centre but excludes a net charge for deferred tax on global profits adjusted to a U.K. tax basis which was included in the 1975 figure. This charge is no longer necessary in view of the change in the Group's country of residence status and the net provision held has been written back to contingencies reserve from which it was originally established. The profit and loss account item "Income, land and other taxes" includes the provision for such taxes. It also includes land and payroll taxes incurred in Australia and other centres.
Notes on the Accounts continued

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

(h) The gross income arising from the various forms of instalment credit transactions and other credit facilities entered into by subsidiaries has generally been calculated by apportionment over the period in which the payments are due in proportion to the monthly balances outstanding. A "financial method" is used for recording lease finance transactions for non-banking companies and accordingly these are shown in the balance sheet as receivables rather than leased assets less depreciation.

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

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

2 Income

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

(a) Dividends due or receivable during the year within the Group

<table>
<thead>
<tr>
<th>Paid or payable by</th>
<th>Received or receivable by</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1976</td>
</tr>
<tr>
<td>$'000</td>
<td>$'000</td>
</tr>
</tbody>
</table>

   (i) Related companies

<table>
<thead>
<tr>
<th></th>
<th>1976</th>
<th>1975</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia and New Zealand Banking Group Limited</td>
<td>6,009</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Australia and New Zealand Savings Bank Limited</td>
<td>750</td>
<td>750</td>
<td></td>
</tr>
<tr>
<td>Esanda Limited</td>
<td>2,000</td>
<td>2,000</td>
<td></td>
</tr>
<tr>
<td>ANZ Holdings Limited</td>
<td>102</td>
<td>81</td>
<td></td>
</tr>
<tr>
<td>ANZ Investments Limited</td>
<td>97</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ANZ Overseas Finance Limited</td>
<td>130</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(ii) Other companies

<table>
<thead>
<tr>
<th></th>
<th>1976</th>
<th>1975</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3,289</td>
<td>3,072</td>
</tr>
</tbody>
</table>

(b) Profit on sale of fixed assets received by non-banking subsidiaries

3 Expenses

Profit from operations for the year include the following expenses:

<table>
<thead>
<tr>
<th></th>
<th>1976</th>
<th>1975</th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
<td></td>
</tr>
</tbody>
</table>

(a) Depreciation and amortisation of fixed assets

(i) Banking companies

<table>
<thead>
<tr>
<th></th>
<th>1976</th>
<th>1975</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10,040</td>
<td>8,157</td>
</tr>
</tbody>
</table>

(ii) Non-banking Companies

<table>
<thead>
<tr>
<th></th>
<th>1976</th>
<th>1975</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,261</td>
<td>1,113</td>
</tr>
</tbody>
</table>

(b) Auditors’ remuneration

(i) Banking companies — audit of accounts

<table>
<thead>
<tr>
<th></th>
<th>1976</th>
<th>1975</th>
</tr>
</thead>
<tbody>
<tr>
<td>— other services</td>
<td>76</td>
<td>46</td>
</tr>
<tr>
<td>— other services</td>
<td>57</td>
<td>—</td>
</tr>
</tbody>
</table>

(ii) Non-banking companies — audit of accounts

<table>
<thead>
<tr>
<th></th>
<th>1976</th>
<th>1975</th>
</tr>
</thead>
<tbody>
<tr>
<td>— other services</td>
<td>54</td>
<td>48</td>
</tr>
<tr>
<td>— other services</td>
<td>171</td>
<td>124</td>
</tr>
</tbody>
</table>

The auditors did not receive any other benefits.
(c) Bad debts written off and transfers to doubtful debts provisions of non-banking subsidiaries:

- Bad debts written off: 962, 649
- General provision for doubtful debts: 586, 606
- Provision for contingencies: 400, 400
- Provision for identified doubtful debts: —, 160

(d) Interest paid by non-banking subsidiaries to other persons: 69,640, 53,139

(e) There were no emoluments paid or payable to the directors of A.N.Z. Group Holdings Limited.

| Emoluments of the directors of Australia and New Zealand Banking Group Limited: |
|---------------------------------|-----------|
| Directors' fees               | £000 35  |
| Other remuneration (including contributions in respect of future pensions) | 136, 103 |
| Pensions and superannuation gratuities (including past directors) | 130, 12 |

Included in the above figures are the emoluments of the Chairman which (excluding contributions in respect of future pensions) were £15,000. In the 1975 year, the emoluments of the Chairman were £13,190.

Also included in the above figures are the emoluments of the highest paid United Kingdom director which (excluding contributions in respect of future pensions) were £23,195 (net £10,948 after deduction of income tax) in respect of the 1976 year, and £20,360 (net £10,910 after deduction of income tax) in respect of the 1975 year.

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

- £5,001—£7,500: —, 1975: 1
- £7,501—£10,000: 1976: 1, 1975: 1
- £10,001—£12,500: —, 1975: 1
- £12,501—£15,000: 1976: 1, 1975: —
- £15,001—£17,500: —, 1975: —
- £17,501—£20,000: —, 1975: —
- £20,001—£22,500: —, 1975: 1

(f) Emoluments of United Kingdom employees of the Company.

The number of United Kingdom employees receiving emoluments in excess of £10,000 is shown below. Also shown is the income tax payable for 1975/6 on the maximum figure in each range together with the resultant take-home pay. For this purpose it has been assumed that the recipient is a married man with no children and no other income.

<table>
<thead>
<tr>
<th>Range</th>
<th>Tax</th>
<th>Take-home Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>£10,001—£12,500</td>
<td>£5,370</td>
<td>£7,130</td>
</tr>
<tr>
<td>£12,501—£15,000</td>
<td>£7,100</td>
<td>£7,900</td>
</tr>
<tr>
<td>£15,001—£17,500</td>
<td>£8,820</td>
<td>£8,590</td>
</tr>
<tr>
<td>£17,501—£20,000</td>
<td>£10,790</td>
<td>£9,210</td>
</tr>
</tbody>
</table>
## 4 Reserve Funds

<table>
<thead>
<tr>
<th>Australia and New Zealand Banking Group Limited</th>
<th>General Reserve $'000</th>
<th>Share Premium Reserve $'000</th>
<th>Capital Reserves$'000</th>
<th>Total Reserves $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 30th September, 1975†</td>
<td>46,084</td>
<td>13,517</td>
<td>—</td>
<td>59,601</td>
</tr>
<tr>
<td>Add: Appropriation from profits</td>
<td>4,066</td>
<td>—</td>
<td>—</td>
<td>4,066</td>
</tr>
<tr>
<td>Premium on issue of 3,338,182 shares</td>
<td>—</td>
<td>10,707</td>
<td>—</td>
<td>10,707</td>
</tr>
<tr>
<td>As at 30th September, 1976</td>
<td>50,150</td>
<td>24,224</td>
<td>—</td>
<td>74,374</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Australia and New Zealand Savings Bank Limited</th>
<th>General Reserve $'000</th>
<th>Share Premium Reserve $'000</th>
<th>Capital Reserves$'000</th>
<th>Total Reserves $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 30th September, 1975</td>
<td>24,700</td>
<td>—</td>
<td>—</td>
<td>24,700</td>
</tr>
<tr>
<td>Add: Appropriation from profit</td>
<td>6,000</td>
<td>—</td>
<td>—</td>
<td>6,000</td>
</tr>
<tr>
<td>As at 30th September, 1976</td>
<td>30,700</td>
<td>—</td>
<td>—</td>
<td>30,700</td>
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</table>

<table>
<thead>
<tr>
<th>ANZ Savings Bank (New Zealand) Limited</th>
<th>General Reserve $'000</th>
<th>Share Premium Reserve $'000</th>
<th>Capital Reserves$'000</th>
<th>Total Reserves $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 30th September, 1975†</td>
<td>2,368</td>
<td>—</td>
<td>—</td>
<td>2,368</td>
</tr>
<tr>
<td>Add: Appropriation from profit</td>
<td>395</td>
<td>—</td>
<td>—</td>
<td>395</td>
</tr>
<tr>
<td>As at 30th September, 1976</td>
<td>2,763</td>
<td>—</td>
<td>—</td>
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<table>
<thead>
<tr>
<th>Esanda Limited</th>
<th>General Reserve $'000</th>
<th>Share Premium Reserve $'000</th>
<th>Capital Reserves$'000</th>
<th>Total Reserves $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 30th September, 1975</td>
<td>38,000</td>
<td>—</td>
<td>140</td>
<td>38,140</td>
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<tr>
<td>Add: Appropriation from profit</td>
<td>15,000</td>
<td>—</td>
<td>—</td>
<td>15,000</td>
</tr>
<tr>
<td>Surplus from cancellation of debenture stock and unsecured notes</td>
<td>—</td>
<td>—</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>As at 30th September, 1976</td>
<td>53,000</td>
<td>—</td>
<td>143</td>
<td>53,143</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other non-banking companies</th>
<th>General Reserve $'000</th>
<th>Share Premium Reserve $'000</th>
<th>Capital Reserves$'000</th>
<th>Total Reserves $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 30th September, 1975†</td>
<td>757</td>
<td>3,978</td>
<td>25,322</td>
<td>30,057</td>
</tr>
<tr>
<td>Add: Appropriation from profit</td>
<td>7</td>
<td>—</td>
<td>—</td>
<td>7</td>
</tr>
<tr>
<td>Surplus on sale of properties</td>
<td>—</td>
<td>—</td>
<td>3,289</td>
<td>3,289</td>
</tr>
<tr>
<td>Deferred tax provision no longer required</td>
<td>—</td>
<td>—</td>
<td>132</td>
<td>132</td>
</tr>
<tr>
<td>Total as at 30th September, 1976</td>
<td>764</td>
<td>3,978</td>
<td>28,743</td>
<td>33,485</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Adjustments on consolidation — 1975</th>
<th>General Reserve $'000</th>
<th>Share Premium Reserve $'000</th>
<th>Capital Reserves$'000</th>
<th>Total Reserves $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>— 1975</td>
<td>(1)</td>
<td>(4,767)</td>
<td>(5,792)</td>
<td>(10,560)</td>
</tr>
<tr>
<td>— 1976</td>
<td>(1)</td>
<td>(28,202)</td>
<td>16,865</td>
<td>(11,338)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Consolidated — 1975</th>
<th>General Reserve $'000</th>
<th>Share Premium Reserve $'000</th>
<th>Capital Reserves$'000</th>
<th>Total Reserves $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>— 1975</td>
<td>120,926</td>
<td>16,198</td>
<td>11,361</td>
<td>148,485</td>
</tr>
<tr>
<td>— 1976</td>
<td>137,376</td>
<td>—</td>
<td>45,751</td>
<td>183,127</td>
</tr>
</tbody>
</table>

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

† After adjustment for changes in rates of exchange during the year.
5 Debentures and Unsecured Notes of Non-banking Companies

<table>
<thead>
<tr>
<th></th>
<th>1976</th>
<th>1975</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Debentures held by, and other amounts not separately detailed in the balance sheet, payable to others are as follows:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maturing within 12 months</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debenture stock (secured)</td>
<td>102,040</td>
<td>63,670</td>
</tr>
<tr>
<td>Unsecured notes, loans and deposits</td>
<td>181,756</td>
<td>156,039</td>
</tr>
<tr>
<td>Maturing after 12 months</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debenture stock (secured)</td>
<td>356,191</td>
<td>248,475</td>
</tr>
<tr>
<td>Unsecured notes, loans and deposits</td>
<td>83,974</td>
<td>72,677</td>
</tr>
<tr>
<td></td>
<td>723,961</td>
<td>540,861</td>
</tr>
</tbody>
</table>

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

6 Liabilities Payable by Non-banking Companies

<table>
<thead>
<tr>
<th></th>
<th>1976</th>
<th>1975</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Within one year</td>
<td>469,770</td>
<td>376,962</td>
</tr>
<tr>
<td>Between one and two years</td>
<td>172,991</td>
<td>142,640</td>
</tr>
<tr>
<td>Between two and five years</td>
<td>252,844</td>
<td>171,661</td>
</tr>
<tr>
<td>After five years</td>
<td>14,800</td>
<td>6,851</td>
</tr>
<tr>
<td>Total borrowed funds and current liabilities</td>
<td>910,405</td>
<td>698,114</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>1976</th>
<th>1975</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Trade creditors and bills payable</td>
<td>7,011</td>
<td>4,789</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>161,761</td>
<td>141,929</td>
</tr>
<tr>
<td>Provisions: income tax — current liability</td>
<td>16,942</td>
<td>10,222</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>730</td>
<td>313</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>186,444</td>
<td>157,253</td>
</tr>
</tbody>
</table>
8 Debts Receivable by Borrowing Non-banking Companies

<table>
<thead>
<tr>
<th></th>
<th>1976</th>
<th>1975</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Within one year</td>
<td>506,266</td>
<td>386,779</td>
</tr>
<tr>
<td>Between one and two years</td>
<td>257,247</td>
<td>188,385</td>
</tr>
<tr>
<td>Between two and five years</td>
<td>237,265</td>
<td>157,064</td>
</tr>
<tr>
<td>After five years</td>
<td>23,162</td>
<td>24,578</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,023,940</td>
<td>756,806</td>
</tr>
</tbody>
</table>

Less: Income yet to mature on amounts receivable and general provision for doubtful debts and contingencies

<table>
<thead>
<tr>
<th></th>
<th>1976</th>
<th>1975</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>839,922</td>
<td>622,014</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>1976</th>
<th>1975</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Gross receivables</td>
<td>924,847</td>
<td>697,365</td>
</tr>
<tr>
<td>Less: Income yet to mature</td>
<td>160,616</td>
<td>132,372</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>744,229</td>
<td>564,993</td>
</tr>
</tbody>
</table>

Gross receivables is after deducting:
- Provisions for identified doubtful debts
  - 1976: 360
  - 1975: 425
- General provision for doubtful debts
  - 1976: 1,900
  - 1975: 1,320
- Provision for contingencies
  - 1976: 1,500
  - 1975: 1,100

10 Investments

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

<table>
<thead>
<tr>
<th></th>
<th>1976</th>
<th>1975</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Value</td>
<td>Value</td>
</tr>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Book:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market:</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Investments (including trade investments) in the balance sheets comprise:
- Banking companies:
  - Australia and New Zealand Banking Group Limited
  - British Government securities

Quoted in Great Britain:
- British Government securities
  - 1976: 1,355
  - 1975: 1,306

1976: 1,624
1975: 1,569
Notes on the Accounts continued

<table>
<thead>
<tr>
<th></th>
<th>Book Value</th>
<th>Market Value</th>
<th>1976</th>
<th></th>
<th>1975</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quoted in Australia:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australian Government</td>
<td>743,813</td>
<td>732,859</td>
<td>666,589</td>
<td>641,771</td>
<td></td>
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</tr>
<tr>
<td>securities</td>
<td>289</td>
<td>303</td>
<td>40</td>
<td>36</td>
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<td></td>
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<tr>
<td>Other securities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quoted in New Zealand:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Zealand Government</td>
<td>70,648</td>
<td>65,144</td>
<td>70,206</td>
<td>68,652</td>
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<td>25</td>
<td>61</td>
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<td>Unquoted Investments:</td>
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<td>8,792</td>
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<td>2,567</td>
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<td></td>
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<tr>
<td>Australia and New Zealand Savings Bank Limited</td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Quoted in Australia:</td>
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<tr>
<td>Australian Government</td>
<td>257,467</td>
<td>241,547</td>
<td>230,112</td>
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<tr>
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<td>2,893</td>
<td>2,784</td>
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<td>2,744</td>
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</tr>
<tr>
<td>Non-banking companies:</td>
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</tr>
<tr>
<td>Quoted:</td>
<td></td>
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<tr>
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<td>20,002</td>
<td>17,557</td>
<td>19,894</td>
<td>19,157</td>
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</tr>
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<td>and local authority</td>
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<tr>
<td>Unquoted:</td>
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<tr>
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</tr>
<tr>
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</tr>
<tr>
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<td>47,248</td>
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<td></td>
</tr>
<tr>
<td>Local authority</td>
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<td>3,496</td>
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<td></td>
<td></td>
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<td>14</td>
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<tr>
<td>Other securities</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade investments</td>
<td>1,649</td>
<td></td>
<td>1,996</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,630,578</td>
<td></td>
<td>1,462,271</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

11 Premises and Equipment

<table>
<thead>
<tr>
<th></th>
<th>1976</th>
<th>1975</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>(a) Banking companies:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Freehold and leasehold</td>
<td></td>
<td></td>
</tr>
<tr>
<td>premises and sites</td>
<td></td>
<td></td>
</tr>
<tr>
<td>at cost or valuation,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>less amounts written</td>
<td>7,668</td>
<td>5,599</td>
</tr>
<tr>
<td>off Computers,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>furniture, office</td>
<td></td>
<td></td>
</tr>
<tr>
<td>machines and other</td>
<td></td>
<td></td>
</tr>
<tr>
<td>equipment at cost</td>
<td>53,431</td>
<td>43,621</td>
</tr>
<tr>
<td>less amounts written</td>
<td></td>
<td></td>
</tr>
<tr>
<td>off</td>
<td>61,099</td>
<td>49,220</td>
</tr>
</tbody>
</table>
Notes on the Accounts continued

(b) Non-banking companies:

<table>
<thead>
<tr>
<th></th>
<th>1976 ($'000)</th>
<th>1975 ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freehold and leasehold land and buildings at cost</td>
<td>110,398</td>
<td>101,424</td>
</tr>
<tr>
<td>Deduct: Provision for depreciation on buildings</td>
<td>3,731</td>
<td>106,667</td>
</tr>
<tr>
<td>Furniture, fixtures and fittings at cost</td>
<td>3,297</td>
<td>3,311</td>
</tr>
<tr>
<td>Deduct: Provision for depreciation</td>
<td>1,122</td>
<td>2,175</td>
</tr>
<tr>
<td>Leasehold improvements at cost</td>
<td>790</td>
<td>763</td>
</tr>
<tr>
<td>Deduct: Provision for amortisation</td>
<td>411</td>
<td>379</td>
</tr>
</tbody>
</table>

Total consolidated premises and equipment

|                      | 170,320      | 151,885      |

Included in the freehold and leasehold premises is the cost of the investment in a subsidiary, 57 Willis Street Limited, amounting to $1,224,000 at 30th September, 1976 ($1,424,000). The accounts of this company, which is currently developing a property in New Zealand, have not been consolidated with those of Group on the grounds of the insignificance of the amounts involved and the particular nature of the development, under which shares in the company are being transferred to outside parties. It is intended that Group will eventually retain some 15 per cent of the company's issued share capital.

12 Capital Commitments

<table>
<thead>
<tr>
<th></th>
<th>1976 ($'000)</th>
<th>1975 ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Banking companies:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contracts for outstanding capital expenditure not provided for in these accounts totalled</td>
<td>13,797</td>
<td>7,629</td>
</tr>
<tr>
<td>Capital expenditure, as authorised by the directors but not contracted for, totalled</td>
<td>62,820</td>
<td>53,832</td>
</tr>
<tr>
<td>(b) Non-banking companies:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contracts for outstanding capital expenditure not provided for in these accounts totalled</td>
<td>3,625</td>
<td>10,689</td>
</tr>
<tr>
<td>Capital expenditure, as authorised by the directors but not contracted for, totalled</td>
<td>34,234</td>
<td>5,548</td>
</tr>
</tbody>
</table>

13 Contingent Liabilities

<table>
<thead>
<tr>
<th></th>
<th>1976 ($'000)</th>
<th>1975 ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Banking companies:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Uncalled capital on trade investments amounting to</td>
<td>Nil</td>
<td>730</td>
</tr>
<tr>
<td>(ii) Australia and New Zealand Banking Group Limited has guaranteed the repayment of loans made to its customers by two subsidiaries to the extent of</td>
<td>983</td>
<td>5,279</td>
</tr>
<tr>
<td>(iii) 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</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
(iv) Australia and New Zealand Banking Group Limited has agreed to provide funds to ANZ Properties (Australia) Limited, to meet its liabilities as they fall due, should the subsidiary have insufficient funds for that purpose.

(v) Australia and New Zealand Banking Group Limited holds forward exchange contracts for the sale of currencies which are covered to a corresponding amount by forward purchases, by arrangements with central banks and others, or by holdings of foreign currencies. The amounts represent the Australian dollar equivalent of the total liability calculated in US dollars.

1,638,851

1,596,020

(b) Non-banking companies

Esanda Limited

Contingent liabilities exist in respect of guarantees entered into in the ordinary course of business (including a guarantee in favour of a related company, which covers agreements relating to stock on dealers' premises and in respect of which Esanda Limited holds securities from or has claims against other parties), for which at 30th September, 1976 no provision is required to be made for the arising of any actual liability Maximum amount for which the company could become liable:

33,048

17,909

14 Group Profit before Extraordinary Items as a Percentage of:

<table>
<thead>
<tr>
<th></th>
<th>1976</th>
<th>1975</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average capital employed</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Average shareholders' funds</td>
<td>61.6</td>
<td>43.8*</td>
</tr>
<tr>
<td></td>
<td>15.4</td>
<td>12.8*</td>
</tr>
</tbody>
</table>

* These percentages have been arrived at by calculating all items in Australian currency, and no allowance has been made for exchange rate fluctuations between sterling and Australian dollars during the year.

15 Dividends and Earnings per Share

Dividend per share (gross) based on 36,720,000 shares of £1 each issued by Australia and New Zealand Banking Group Limited at 30th September, 1975 and 60,087,276 shares of 51 each issued by A.N.Z. Group Holdings Limited at 30th September, 1976.

16.0c

24.2c

Earnings per share based on the consolidated profit before extraordinary items and on the weighted average of 37,832,727 shares (1975 36,720,000) in issue by Australia and New Zealand Banking Group Limited during the year.

97.4c

72.9c

16 Subsidiary and Associated Companies and Other Trade Investments

A list of subsidiary and associated companies and other trade investments appears on pages 38 and 39 and forms part of these Notes on the Accounts. See also Note 1 (i).

17 Material Contracts — Directors' Interests

Details are set out in the Statements Relating to the Accounts, item (viii), on page 9.
Statement by the Directors

We, Gerald Mansfield Niall and Mac Brunckhorst of Melbourne, being two of the directors of A.N.Z. Group Holdings Limited, do hereby state that in the opinion of the directors of A.N.Z. Group Holdings Limited, the accompanying accounts of the Company and the group accounts of the Company and its banking and other subsidiaries are drawn up in accordance with the requirements of the Companies Act 1961 of Victoria so as to give a true and fair view of:

(a) the profit of the Company for the period since incorporation on 15th April, 1976, and of the Company and its banking and other subsidiaries for the financial year ended 30th September, 1976 and

(b) the state of affairs of the Company and of the Company and its banking and other subsidiaries as at 30th September, 1976

so far as they concern the members of A.N.Z. Group Holdings Limited.

Dated at Melbourne this 30th day of November, 1976 and signed in accordance with a resolution of the directors.

G. M. Niall, Director

M. Brunckhorst, Director

Statement by the Principal Accounting Officer

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

Dated at Melbourne this 30th day of November, 1976.

R. Ashton
Principal Accounting Officer
Melbourne

Auditors' Report to the Members of A.N.Z. Group Holdings Limited

1. The accounts set out on page 18, being the balance sheet and profit and loss account of A.N.Z. Group Holdings Limited, are, in our opinion, properly drawn up in accordance with the provisions of the Companies Act 1961 of Victoria and so as to give a true and fair view of:

(a) the state of affairs of the company as at 30th September, 1976 and of its results for the period from incorporation on 15th April, 1976 to 30th September, 1976; and

(b) the other matters required by Section 162 of the Act to be dealt with in such accounts.

2. The group accounts set out on pages 19 to 30, being the consolidated balance sheet and consolidated profit and loss statement of A.N.Z. Group Holdings Limited and its subsidiaries, include the accounts of certain subsidiaries, namely Australia and New Zealand Banking Group Limited and Australia and New Zealand Savings Bank Limited, which have been drawn up in accordance with the provisions of the Companies Act 1961 of Victoria in the manner authorised for a banking company, and, on this basis, the group accounts are, in our opinion, properly drawn up in accordance with the provisions of the Companies Act 1961 of Victoria and so as to give a true and fair view of:

(a) the state of affairs of the group as at 30th September, 1976 and of its results for the period ended 30th September, 1976, so far as they concern members of the holding company, and

(b) the other matters required by Section 162 of the Act to be dealt with in such accounts.

3. The accounting records and other records, and the registers required by the Act to be kept by the company, have, in our opinion, been properly kept in accordance with the provisions of the Act.

4. The names of the subsidiaries of which we have not acted as auditors are set out on pages 38 to 39 and we have examined their accounts and auditors' reports thereon. We are satisfied that the accounts of the subsidiaries which are consolidated with the accounts of the holding company are in form and content appropriate and proper for the purposes of the preparation of the consolidated accounts, and we have received satisfactory information and explanations as required for that purpose. No auditor's report on the accounts of any subsidiary was made subject to any qualification or included any comment made under subsection (3) of Section 167 of the Act.

Dated at Melbourne this 30th day of November, 1976.

Peat, Marwick, Mitchell & Co.
Chartered Accountants

R. C. Dunn
Partner
Melbourne
Summary of the Audited Accounts*

as at 30th September, 1976


Balance Sheet

as at 30th September, 1976

<table>
<thead>
<tr>
<th></th>
<th>£'000</th>
<th>$'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorised capital:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>50,000,000 shares of £1 each</td>
<td>50,000</td>
<td>67,770</td>
</tr>
<tr>
<td>Issued and paid up capital:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>40,058,182 shares of £1 each, fully paid</td>
<td>40,058</td>
<td>54,295</td>
</tr>
<tr>
<td>Reserve funds</td>
<td>54,872</td>
<td>74,374</td>
</tr>
<tr>
<td>Profit and loss</td>
<td>4,820</td>
<td>6,533</td>
</tr>
<tr>
<td>Shareholders’ funds</td>
<td>99,750</td>
<td>135,202</td>
</tr>
<tr>
<td>Amounts due to subsidiaries</td>
<td>46,845</td>
<td>63,494</td>
</tr>
<tr>
<td>Current, deposit and other accounts including contingencies reserve and provision for taxation</td>
<td>3,318,501</td>
<td>4,497,895</td>
</tr>
<tr>
<td>Due to other banks</td>
<td>178,580</td>
<td>242,048</td>
</tr>
<tr>
<td>Refinancing for loans to customers</td>
<td>130,708</td>
<td>177,161</td>
</tr>
<tr>
<td>Proposed final dividend</td>
<td>4,433</td>
<td>6,009</td>
</tr>
<tr>
<td></td>
<td>3,778,817</td>
<td>5,121,809</td>
</tr>
<tr>
<td>Acceptances, guarantees, etc.</td>
<td>552,548</td>
<td>748,923</td>
</tr>
<tr>
<td></td>
<td>4,331,365</td>
<td>5,870,732</td>
</tr>
</tbody>
</table>

Profit and Loss Account

for the year ended 30th September, 1976

<table>
<thead>
<tr>
<th></th>
<th>1976</th>
<th>1975</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer to reserve fund</td>
<td>3,000</td>
<td>4,066</td>
</tr>
<tr>
<td>Dividends:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interim — 4.7% (gross equivalent 7.23%)</td>
<td>1,726</td>
<td>2,339</td>
</tr>
<tr>
<td>Proposed final 1975 — 5.0% (gross equivalent 7.69%)</td>
<td>4,433</td>
<td>6,009</td>
</tr>
<tr>
<td>Refinancing for loans to customers</td>
<td>1,836</td>
<td>2,962</td>
</tr>
<tr>
<td>Balance carried forward</td>
<td>4,820</td>
<td>6,533</td>
</tr>
<tr>
<td></td>
<td>13,979</td>
<td>18,947</td>
</tr>
</tbody>
</table>

* Abridged format for information purposes only
<table>
<thead>
<tr>
<th>Description</th>
<th>1976</th>
<th>1975</th>
<th>1976</th>
<th>1975</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notes, coin and cash at bankers</td>
<td>42,319</td>
<td>57,358</td>
<td>45,077</td>
<td>73,214</td>
</tr>
<tr>
<td>Money at call and short notice</td>
<td>40,426</td>
<td>54,793</td>
<td>25,026</td>
<td>40,647</td>
</tr>
<tr>
<td>Treasury notes and treasury bills</td>
<td>68,026</td>
<td>92,203</td>
<td>95,617</td>
<td>155,301</td>
</tr>
<tr>
<td>Cheques in course of collection and balances with other banks</td>
<td>216,118</td>
<td>292,927</td>
<td>186,546</td>
<td>302,989</td>
</tr>
<tr>
<td>Statutory deposits with Reserve Bank of Australia</td>
<td>117,168</td>
<td>158,809</td>
<td>97,580</td>
<td>158,489</td>
</tr>
<tr>
<td>Loan fund accounts with Reserve Bank of Australia</td>
<td>18,758</td>
<td>25,425</td>
<td>18,246</td>
<td>29,636</td>
</tr>
<tr>
<td>Investments, other than trade investments</td>
<td>806,938</td>
<td>822,843</td>
<td>460,111</td>
<td>747,312</td>
</tr>
<tr>
<td>Bills receivable and remittances in transit</td>
<td>404,298</td>
<td>547,987</td>
<td>320,190</td>
<td>520,052</td>
</tr>
<tr>
<td>Advances and loans, etc., less provision for doubtful debts</td>
<td>1,991,678</td>
<td>2,699,521</td>
<td>1,429,582</td>
<td>2,321,928</td>
</tr>
<tr>
<td>Loans to customers under refinance arrangements</td>
<td>130,708</td>
<td>177,161</td>
<td>90,960</td>
<td>147,737</td>
</tr>
<tr>
<td>Accrued income and sundry accounts</td>
<td>29,056</td>
<td>39,382</td>
<td>21,669</td>
<td>35,194</td>
</tr>
<tr>
<td>Trade investments at cost</td>
<td>1,812</td>
<td>2,456</td>
<td>1,580</td>
<td>2,567</td>
</tr>
<tr>
<td>Investments in subsidiaries at cost</td>
<td>57,646</td>
<td>78,134</td>
<td>52,296</td>
<td>84,939</td>
</tr>
<tr>
<td>Amounts due from subsidiaries</td>
<td>8,788</td>
<td>11,911</td>
<td>10,399</td>
<td>16,890</td>
</tr>
<tr>
<td>Premises and equipment</td>
<td>45,078</td>
<td>61,099</td>
<td>30,304</td>
<td>49,220</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,778,817</td>
<td>5,121,809</td>
<td>2,685,183</td>
<td>4,666,115</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities of customers and others for acceptances, guarantees, etc.</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities of customers and others for acceptances, guarantees, etc.</td>
<td>552,548</td>
<td>748,923</td>
<td>454,874</td>
<td>738,806</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4,331,365</td>
<td>5,870,732</td>
<td>3,340,057</td>
<td>5,424,921</td>
</tr>
</tbody>
</table>

- **Balance brought forward from previous year**
  - £000: 4,577
  - $'000: 6,203

- **Profit for year after transfer to contingencies reserve**
  - £000: 9,402
  - $'000: 12,744

**Total**
- £000: 13,979
- $'000: 18,947
Australia and New Zealand Savings Bank Limited

Summary of the Audited Accounts*

as at 30th September, 1976

Board of Directors: M. Brunckhorst Chairman, R. T. Brunskill, A. G. Kilpatrick, Angus Mackinnon, J. D. Milne, T. M. Williamson General Manager.

Balance Sheet

as at 30th September, 1976

<table>
<thead>
<tr>
<th></th>
<th>1976</th>
<th>1975</th>
</tr>
</thead>
<tbody>
<tr>
<td>$’000</td>
<td></td>
<td>$’000</td>
</tr>
<tr>
<td>Authorised capital:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14,000,000 shares of</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1 each</td>
<td>14,000</td>
<td>14,000</td>
</tr>
<tr>
<td>Issued capital:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7,500,000 shares of</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1 each, fully paid</td>
<td>7,500</td>
<td>7,500</td>
</tr>
<tr>
<td>Reserve fund</td>
<td>30,700</td>
<td>24,700</td>
</tr>
<tr>
<td>Profit and loss account</td>
<td>1,703</td>
<td>1,239</td>
</tr>
<tr>
<td>Deposits and other liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>including contingencies reserve and provision for taxation</td>
<td>1,560,042</td>
<td>1,334,814</td>
</tr>
<tr>
<td>Proposed final dividend</td>
<td>750</td>
<td>—</td>
</tr>
</tbody>
</table>

|                      | 1976  | 1975  |
| $’000                |       | $’000 |
| Cash                 | 150   | 125   |
| Short term funds     | 20,000| —     |
| Deposits with Australia and New Zealand Banking Group Limited | 21,055 | 18,403 |
| Deposits with Reserve Bank of Australia | 122,000 | 129,000 |
| Treasury notes       | 638   | 8,046 |
| Investments:         |       |       |
| Quoted:              |       |       |
| Australian Government| 257,467| 230,112|
| Other                | 20,086| 14,732|
| Market value $261,160,000 (1975 $222,589,000) |       |       |
| Unquoted:            |       |       |
| Local and Semi-Government | 442,748| 390,015|
| Other                | 8,190 | 4,818 |
| Shares in subsidiary | 5,000 | 5,000 |
| Amount due from subsidiary | 10,000 | 8,000 |
| Balances due by other banks | 3,750 | 1,750 |
| Loans and other accounts less provision for doubtful debts | 689,611 | 558,252 |

<table>
<thead>
<tr>
<th></th>
<th>1,600,695</th>
<th>1,368,253</th>
</tr>
</thead>
</table>

Profit and Loss Account

for the year ended 30th September, 1976

<table>
<thead>
<tr>
<th></th>
<th>1976</th>
<th>1975</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer to reserve fund</td>
<td>6,000</td>
<td>3,500</td>
</tr>
<tr>
<td>Dividend</td>
<td>750</td>
<td>750</td>
</tr>
<tr>
<td>Balance carried forward</td>
<td>1,703</td>
<td>1,239</td>
</tr>
</tbody>
</table>

Balance brought forward | 1,239 | 1,123 |
Profit for year after transfer to contingencies reserve | 7,214 | 4,366 |

|                      | 8,453 | 5,489 |

* Abridged format for information purposes only.
ANZ Savings Bank (New Zealand) Limited

Summary of the Audited Accounts*

as at 30th September, 1976


Balance Sheet

<table>
<thead>
<tr>
<th>1976 NZ$'000</th>
<th>1975 NZ$'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorised capital: 250,000 shares of NZ$2 each</td>
<td>500</td>
</tr>
<tr>
<td>Issued capital: 250,000 shares of NZ$2 each, fully paid</td>
<td>500</td>
</tr>
<tr>
<td>Reserve fund</td>
<td>3,500</td>
</tr>
<tr>
<td>Profit and loss account</td>
<td>538</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,538</strong></td>
</tr>
</tbody>
</table>

Deposits and other liabilities including provision for taxation

<table>
<thead>
<tr>
<th>1975 NZ$'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits with Australia and New Zealand Banking Group Limited</td>
</tr>
<tr>
<td>Investments</td>
</tr>
<tr>
<td>Quoted:</td>
</tr>
<tr>
<td>New Zealand Government Market value NZ$22,243,000 (1975 NZ$23,020,000)</td>
</tr>
<tr>
<td>Unquoted:</td>
</tr>
<tr>
<td>New Zealand Government special stock</td>
</tr>
<tr>
<td>Local authority</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td>Loans and other accounts less provision for doubtful debts</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

Profit and Loss Account

for the year ended 30th September, 1976

<table>
<thead>
<tr>
<th>1976 NZ$'000</th>
<th>1975 NZ$'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer to reserve fund</td>
<td>500</td>
</tr>
<tr>
<td>Balance carried forward</td>
<td>538</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,038</strong></td>
</tr>
</tbody>
</table>

* Abridged format for information purposes only
Summary of the Audited Accounts*

as at 30th September, 1976

Board of Directors: M. Brunckhorst Chairman, K. E. Hill General Manager,

Balance Sheet
as at 30th September, 1976

<table>
<thead>
<tr>
<th></th>
<th>1976 $'000</th>
<th>1975 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorised capital:</td>
<td>30,000</td>
<td>30,000</td>
</tr>
<tr>
<td>30,000,000 shares of $1 each</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issued capital:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>28,500,000 shares of $1 each, fully paid</td>
<td>28,500</td>
<td>26,500</td>
</tr>
<tr>
<td>Capital reserve</td>
<td>143</td>
<td>140</td>
</tr>
<tr>
<td>General reserve</td>
<td>53,000</td>
<td>38,000</td>
</tr>
<tr>
<td>Profit and loss account</td>
<td>4,793</td>
<td>3,263</td>
</tr>
<tr>
<td></td>
<td>86,436</td>
<td>67,903</td>
</tr>
<tr>
<td>Debenture stock</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maturing within one year $102,032,000</td>
<td>437,843</td>
<td>298,644</td>
</tr>
<tr>
<td>(1975 $63,860,000)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unsecured notes and deposits</td>
<td>265,730</td>
<td>228,993</td>
</tr>
<tr>
<td>Maturing within one year $181,756,000</td>
<td>(1975 $156,316,000)</td>
<td></td>
</tr>
<tr>
<td>Proposed final dividend</td>
<td>2,000</td>
<td></td>
</tr>
<tr>
<td>Other liabilities including provision for taxation</td>
<td>43,110</td>
<td>26,918</td>
</tr>
<tr>
<td></td>
<td>835,119</td>
<td>622,458</td>
</tr>
</tbody>
</table>

Profit and Loss Account
for the year ended 30th September, 1976

<table>
<thead>
<tr>
<th></th>
<th>1976 $'000</th>
<th>1975 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer to general reserve</td>
<td>15,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Dividend</td>
<td>2,000</td>
<td>2,000</td>
</tr>
<tr>
<td>Balance carried forward</td>
<td>4,793</td>
<td>3,263</td>
</tr>
<tr>
<td></td>
<td>21,793</td>
<td>15,263</td>
</tr>
</tbody>
</table>

* Abridged format for information purposes only

Deposits with Australia and New Zealand Banking Group Limited 156 1,602
Deposits at call and short term investments 46,425 24,290
Receivables less provisions and less income yet to mature $180,618,000 774,191 581,671
(1975 $132,372,000)
Premises and equipment 14,347 14,695

835,119 622,458
# Consolidated Statement of Source and Application of Funds

for the year ended 30th September, 1976

<table>
<thead>
<tr>
<th>Source of Funds</th>
<th>1976</th>
<th>1975</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>'000</td>
<td>'000</td>
</tr>
<tr>
<td>Consolidated profit after extraordinary items</td>
<td>39,569</td>
<td>30,463</td>
</tr>
</tbody>
</table>

**Increases in:**

<table>
<thead>
<tr>
<th>Source of Funds</th>
<th>1976</th>
<th>1975</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issued capital</td>
<td>4,524</td>
<td></td>
</tr>
<tr>
<td>Share premium account</td>
<td>10,707</td>
<td></td>
</tr>
<tr>
<td>Current, deposit and other accounts, etc.</td>
<td>647,672</td>
<td>926,344</td>
</tr>
<tr>
<td>Borrowings by subsidiary companies</td>
<td>183,100</td>
<td>82,628</td>
</tr>
</tbody>
</table>

**Decreases in:**

<table>
<thead>
<tr>
<th>Source of Funds</th>
<th>1976</th>
<th>1975</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notes, coin and cash at bankers</td>
<td>22,830</td>
<td></td>
</tr>
<tr>
<td>Money at call and short notice</td>
<td></td>
<td>9,310</td>
</tr>
<tr>
<td>Treasury notes and treasury bills</td>
<td>70,506</td>
<td></td>
</tr>
<tr>
<td>Deposits with Reserve Bank of Australia</td>
<td>3,881</td>
<td></td>
</tr>
<tr>
<td>Other Assets</td>
<td>11,334</td>
<td>52,221</td>
</tr>
</tbody>
</table>

**Total** | 994,133 | 1,100,966 |

# Application of Funds

<table>
<thead>
<tr>
<th>Source of Funds</th>
<th>1976</th>
<th>1975</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividends paid</td>
<td>8,348</td>
<td>5,785</td>
</tr>
</tbody>
</table>

**Increases in:**

<table>
<thead>
<tr>
<th>Source of Funds</th>
<th>1976</th>
<th>1975</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notes, coin and cash at bankers</td>
<td></td>
<td>34,103</td>
</tr>
<tr>
<td>Money at call and short notice</td>
<td>55,255</td>
<td></td>
</tr>
<tr>
<td>Treasury notes and treasury bills</td>
<td></td>
<td>152,310</td>
</tr>
<tr>
<td>Deposits with Reserve Bank of Australia</td>
<td></td>
<td>80,950</td>
</tr>
<tr>
<td>Investments (other than trade investments)</td>
<td>168,565</td>
<td>416,640</td>
</tr>
<tr>
<td>Advances and loans, less provision for doubtful debts</td>
<td>519,752</td>
<td>73,484</td>
</tr>
<tr>
<td>Balances outstanding under hire purchase and other agreements</td>
<td>179,236</td>
<td>63,924</td>
</tr>
<tr>
<td>Premises and equipment</td>
<td>18,435</td>
<td>24,941</td>
</tr>
<tr>
<td>Other assets</td>
<td>21,964</td>
<td>153,621</td>
</tr>
</tbody>
</table>

**Decreases in:**

<table>
<thead>
<tr>
<th>Source of Funds</th>
<th>1976</th>
<th>1975</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due to other Banks</td>
<td>22,578</td>
<td>95,208</td>
</tr>
</tbody>
</table>

**Total** | 994,133 | 1,100,966 |
## Subsidiaries

<table>
<thead>
<tr>
<th>Subsidiaries</th>
<th>Incorporated in</th>
<th>Principal areas of operations</th>
<th>*Issued Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia and New Zealand Banking Group Limited</td>
<td>Great Britain</td>
<td>England/Aust./N.Z., Pacific Area</td>
<td>40,058,182 shares of £1</td>
</tr>
<tr>
<td>ANZ Custodians Limited</td>
<td>Australia</td>
<td>Australia</td>
<td>7 shares of £1</td>
</tr>
<tr>
<td>ANZ Discounts Limited</td>
<td>Australia</td>
<td>Australia</td>
<td>5 shares of £2</td>
</tr>
<tr>
<td>ANZ Holdings Limited</td>
<td>Great Britain</td>
<td>Australia/ N.Z.</td>
<td>15,400,000 shares of £1</td>
</tr>
<tr>
<td>ANZ Investments Limited</td>
<td>Great Britain</td>
<td>International</td>
<td>100 shares of £1</td>
</tr>
<tr>
<td>ANZ Managed Investments Limited</td>
<td>Australia</td>
<td>Australia</td>
<td>200,000 shares of £1</td>
</tr>
<tr>
<td>ANZ Managed Investments (N.S.W.) Limited</td>
<td>Australia</td>
<td>Australia</td>
<td>10,000,000 shares of £1</td>
</tr>
<tr>
<td>ANZ Managed Investments (Qld.) Limited</td>
<td>Australia</td>
<td>Australia</td>
<td>16 shares of £1</td>
</tr>
<tr>
<td>ANZ Managed Investments (S.A.) Limited</td>
<td>Australia</td>
<td>Australia</td>
<td>12 shares of £1</td>
</tr>
<tr>
<td>ANZ Managed Investments (W.A.) Limited</td>
<td>Australia</td>
<td>Australia</td>
<td>12 shares of £1</td>
</tr>
<tr>
<td>ANZ Managed Investments (Tas.) Limited</td>
<td>Australia</td>
<td>Australia</td>
<td>16 shares of £1</td>
</tr>
<tr>
<td>ANZ Managed Investments (A.C.T.) Limited</td>
<td>Australia</td>
<td>Australia</td>
<td>16 shares of £1</td>
</tr>
<tr>
<td>ANZ Managed Investments (N.T.) Limited</td>
<td>Australia</td>
<td>Australia</td>
<td>10 shares of £1</td>
</tr>
<tr>
<td>ANZ Overseas Finance Limited</td>
<td>Great Britain</td>
<td>England/Aust./N.Z.</td>
<td>100 shares of £1</td>
</tr>
<tr>
<td>ANZ Pensions Limited</td>
<td>Great Britain</td>
<td>England/Aust./ N.Z.</td>
<td>250,000 shares of £1</td>
</tr>
<tr>
<td>ANZ Pensions (Overseas) Pty. Limited</td>
<td>Australia</td>
<td>Australia/N.Z.</td>
<td>5 shares of £2</td>
</tr>
<tr>
<td>ANZ Properties (Australia) Limited</td>
<td>Australia</td>
<td>Guernsey</td>
<td>5,000,000 shares of £1</td>
</tr>
<tr>
<td>Australia and New Zealand Banking Group (Channel Islands) Limited</td>
<td>Guernsey</td>
<td>Channel Islands</td>
<td>250,000 shares of £1</td>
</tr>
<tr>
<td>ANZ Nominees (Guernsey) Limited</td>
<td>Guernsey</td>
<td>Channel Islands</td>
<td>1,000 shares of £1</td>
</tr>
<tr>
<td>ANZ Nominees Limited</td>
<td>Great Britain</td>
<td>England/Aust./N.Z.</td>
<td>1,000 shares of £1</td>
</tr>
<tr>
<td>ANZ Finance (Jersey) Limited</td>
<td>Jersey</td>
<td>Non-operative</td>
<td>10 shares of £1</td>
</tr>
<tr>
<td>Australia and New Zealand Savings Bank Limited</td>
<td>Australia</td>
<td>Australia</td>
<td>7,500,000 shares of £1</td>
</tr>
<tr>
<td>ANZ Savings Bank (New Zealand) Limited</td>
<td>New Zealand</td>
<td>New Zealand</td>
<td>250,000 shares of NZ$2</td>
</tr>
<tr>
<td>ANZ Services Limited</td>
<td>Australia</td>
<td>Australia</td>
<td>62,000 shares of £1</td>
</tr>
<tr>
<td>Britannia Investment Company Pty. Limited</td>
<td>Australia</td>
<td>Australia</td>
<td>28,500,000 shares of £1</td>
</tr>
<tr>
<td>Esanda Limited</td>
<td>Australia</td>
<td>Australia</td>
<td>50 shares of £2</td>
</tr>
<tr>
<td>Esanda (Wholesale) Pty. Limited</td>
<td>Australia</td>
<td>Australia</td>
<td>100 shares of £1</td>
</tr>
<tr>
<td>Esanda Nominees Limited</td>
<td>Great Britain</td>
<td>England</td>
<td>8,400,000 shares of £1</td>
</tr>
<tr>
<td>ESSA Holdings Limited</td>
<td>Australia</td>
<td>Australia</td>
<td>50 shares of £2</td>
</tr>
<tr>
<td>ESSA Nominees (Australia) Pty. Limited</td>
<td>Australia</td>
<td>Australia</td>
<td>2,000,000 shares of £1</td>
</tr>
<tr>
<td>ESSA Properties (Australia) Limited</td>
<td>Australia</td>
<td>Australia</td>
<td>125,000 shares of £1</td>
</tr>
<tr>
<td>ESSA Properties (U.K.) Limited</td>
<td>Great Britain</td>
<td>England</td>
<td>2 shares of £2</td>
</tr>
<tr>
<td>ESMA (Security) Pty. Limited</td>
<td>Australia</td>
<td>Australia</td>
<td>29,000 shares of £1</td>
</tr>
<tr>
<td>Melbourne Safe Deposit Pty. Limited</td>
<td>Papua New Guinea</td>
<td>Papua New Guinea</td>
<td>2,000,000 shares of K1</td>
</tr>
<tr>
<td>Australia and New Zealand Banking Group (PNG) Limited</td>
<td>New Zealand</td>
<td>New Zealand</td>
<td>5,151,000 shares of NZ$1</td>
</tr>
</tbody>
</table>

## Associated Companies

<table>
<thead>
<tr>
<th>Associated Companies</th>
<th>Incorporated in</th>
<th>Principal areas of operations</th>
<th>*Issued Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Banks' Export Re-Finance Corporation Limited</td>
<td>Australia</td>
<td>Australia</td>
<td>2,000,000 shares of £1</td>
</tr>
<tr>
<td>Australian International Finance Corporation Limited</td>
<td>Australia</td>
<td>Australia</td>
<td>6,250,000 shares of £1</td>
</tr>
<tr>
<td>351 Collins Street Limited</td>
<td>Australia</td>
<td>Australia</td>
<td>65,753,000 shares of £2</td>
</tr>
<tr>
<td>Databank Systems Limited</td>
<td>New Zealand</td>
<td>New Zealand</td>
<td>200,000 shares of NZ$1</td>
</tr>
<tr>
<td>Endeavour Investments (New Zealand) Limited</td>
<td>New Zealand</td>
<td>New Zealand</td>
<td>4,000,000 shares of NZ$1</td>
</tr>
<tr>
<td>Malaysia Industrial Finance Corporation Berhad</td>
<td>Malaysia</td>
<td>Malaysia</td>
<td>1,350,000 shares of M$1</td>
</tr>
<tr>
<td>Melanesia International Trust Company Limited</td>
<td>New Hebrides</td>
<td>International</td>
<td>525,000 shares of $0.50</td>
</tr>
</tbody>
</table>

## Interests of under 20%

<table>
<thead>
<tr>
<th>Interests of under 20%</th>
<th>Incorporated in</th>
<th>Principal areas of operations</th>
<th>*Issued Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANS Holdings Limited</td>
<td>Papua New Guinea</td>
<td>Papua New Guinea</td>
<td>1,766,900 ordinary shares of K1</td>
</tr>
<tr>
<td>Australia New Guinea Corporation Limited</td>
<td>Papua New Guinea</td>
<td>Papua New Guinea</td>
<td>497,000 cumulative convertible 9% preference shares of K1</td>
</tr>
<tr>
<td>Australian Innovation Corporation Limited</td>
<td>Australia</td>
<td>Australia</td>
<td>712,000 shares of £1</td>
</tr>
<tr>
<td>Australian Interstate Pipe Line Company Limited</td>
<td>Australia</td>
<td>Australia</td>
<td>60,000 shares of £2</td>
</tr>
<tr>
<td>Australian Resources Development Bank Limited</td>
<td>Australia</td>
<td>Australia</td>
<td>7,000,000 shares of £1</td>
</tr>
<tr>
<td>Charge Card Services Limited</td>
<td>Australia</td>
<td>Australia</td>
<td>80,000 shares of £1</td>
</tr>
<tr>
<td>Private Investment Company for Asia S.C.</td>
<td>Panama</td>
<td>Asia</td>
<td>5,760 shares of U.S.$5,000</td>
</tr>
<tr>
<td>Society for Worldwide Interbank Financial Telecommunication</td>
<td>Belgium</td>
<td>International</td>
<td>16,688 shares of B.F. 5,000</td>
</tr>
<tr>
<td>South East Asia Development Corporation Berhad</td>
<td>Malaysia</td>
<td>South-East Asia</td>
<td>3,500,000 shares of M$1</td>
</tr>
</tbody>
</table>

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

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(See page 8.)
<table>
<thead>
<tr>
<th>Group Interest</th>
<th>Held by</th>
<th>Nature of business</th>
<th>Auditors</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>ANZ Group Holdings</td>
<td>Full range of banking services</td>
<td>Peat, Marwick, Mitchell &amp; Co</td>
</tr>
<tr>
<td>100%</td>
<td>ANZ Banking Group</td>
<td>Custodian and nominee services</td>
<td>Deloitte Haskins and Sells</td>
</tr>
<tr>
<td>100%</td>
<td>ANZ Investments</td>
<td>Negotiation of foreign currency loans for Australian customers</td>
<td>Whinney Murray Ernst &amp; Ernst</td>
</tr>
<tr>
<td>100%</td>
<td>ANZ Banking Group</td>
<td>Property owning company</td>
<td>Peat, Marwick, Mitchell &amp; Co</td>
</tr>
<tr>
<td>100%</td>
<td>ANZ Banking Group</td>
<td>Holding company for subsidiary and associated company shares</td>
<td>Peat, Marwick, Mitchell &amp; Co</td>
</tr>
<tr>
<td>100%</td>
<td>Melbourne Safe Deposit</td>
<td>Unit trust managers</td>
<td>Coopers &amp; Lybrand</td>
</tr>
<tr>
<td>100%</td>
<td>ANZ Managed Investments</td>
<td>Provision of foreign currency loans</td>
<td>Peat, Marwick, Mitchell &amp; Co</td>
</tr>
<tr>
<td>100%</td>
<td>ANZ Banking Group</td>
<td>Management of staff pension funds</td>
<td>Deloitte Haskins and Sells</td>
</tr>
<tr>
<td>100%</td>
<td>ANZ Savings Bank</td>
<td>Property owning company</td>
<td>Whinney Murray Ernst &amp; Ernst</td>
</tr>
<tr>
<td>100%</td>
<td>ANZ Banking Group</td>
<td>Full range of banking services</td>
<td>Peat, Marwick, Mitchell &amp; Co</td>
</tr>
<tr>
<td>100%</td>
<td>ANZ Banking Group</td>
<td>Nominee services</td>
<td>Peat, Marwick, Mitchell &amp; Co</td>
</tr>
<tr>
<td>100%</td>
<td>ANZ Banking Group</td>
<td>Nominee services</td>
<td>Peat, Marwick, Mitchell &amp; Co</td>
</tr>
<tr>
<td>100%</td>
<td>ANZ Banking Group</td>
<td>Non-operating</td>
<td>J. A. Hepworth and L. N. Jupp</td>
</tr>
<tr>
<td>100%</td>
<td>ANZ Banking Group</td>
<td>Savings banks</td>
<td>Hunt, Dufhie &amp; Co and Hutchison Hull &amp; Co</td>
</tr>
<tr>
<td>100%</td>
<td>ANZ Banking Group</td>
<td>Property owning company</td>
<td>Whinney Murray Ernst &amp; Ernst</td>
</tr>
<tr>
<td>100%</td>
<td>ANZ Banking Group</td>
<td>Property owning company</td>
<td>Whinney Murray Ernst &amp; Ernst</td>
</tr>
<tr>
<td>100%</td>
<td>ANZ Banking Group</td>
<td>Hire purchase, lease, instalment and general finance facilities</td>
<td>Arthur Andersen &amp; Co</td>
</tr>
<tr>
<td>100%</td>
<td>ANZ Banking Group</td>
<td>Nominee services</td>
<td>Peat, Marwick, Mitchell &amp; Co</td>
</tr>
<tr>
<td>100%</td>
<td>ANZ Banking Group</td>
<td>Property and investment owning company</td>
<td>Whinney Murray Ernst &amp; Ernst</td>
</tr>
<tr>
<td>100%</td>
<td>ANZ Banking Group</td>
<td>Nominee services</td>
<td>Peat, Marwick, Mitchell &amp; Co</td>
</tr>
<tr>
<td>100%</td>
<td>ESSA Holdings</td>
<td>Property owning companies</td>
<td>Peat, Marwick, Mitchell &amp; Co</td>
</tr>
<tr>
<td>100%</td>
<td>ANZ Banking Group</td>
<td>Trustee company</td>
<td>Deloitte, Haskins and Sells</td>
</tr>
<tr>
<td>100%</td>
<td>ANZ Banking Group</td>
<td>Holding company for subsidiary and associated company shares</td>
<td>Whinney Murray Ernst &amp; Ernst</td>
</tr>
<tr>
<td>100%</td>
<td>ANZ Banking Group</td>
<td>Full range of banking services</td>
<td>Peat, Marwick, Mitchell &amp; Co</td>
</tr>
<tr>
<td>38.71%</td>
<td>ANZ Banking Group</td>
<td>Property owning company</td>
<td></td>
</tr>
<tr>
<td>21.78%</td>
<td>ANZ Banking Group</td>
<td>Finance for Australian capital goods exports</td>
<td></td>
</tr>
<tr>
<td>20.09%</td>
<td>ANZ Banking Group</td>
<td>Short and medium term lending and related financial services</td>
<td></td>
</tr>
<tr>
<td>20%</td>
<td>ANZ Banking Group</td>
<td>Owner of 351 Collins Street property in Melbourne</td>
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</tr>
<tr>
<td>50%</td>
<td>ANZ Investments</td>
<td>Nationwide computer network jointly owned by the trading banks</td>
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</tr>
<tr>
<td>20%</td>
<td>ANZ Banking Group</td>
<td></td>
<td></td>
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<tr>
<td>20%</td>
<td>ANZ Investments</td>
<td>Majority shareholder of UDC Group Holdings Ltd., which owns United Dominions Corporation Finance Ltd.</td>
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<tr>
<td>22.2%</td>
<td>ANZ Investments</td>
<td>Hire purchase finance</td>
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<tr>
<td>38.04%</td>
<td>ANZ Investments</td>
<td>Trustee, corporate and financial services</td>
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<tr>
<td>0.75%</td>
<td>ANZ Investments</td>
<td>A subsidiary investment holding company of ANZ Corporation Ltd.</td>
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<tr>
<td>Nil</td>
<td>ANZ Investments</td>
<td>Investment company</td>
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<tr>
<td>4.59%</td>
<td>ANZ Investments</td>
<td>Finance for Australian innovations and inventions</td>
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<tr>
<td>3.51%</td>
<td>ANZ Banking Group</td>
<td>Development and financing of oil and gas pipelines</td>
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<tr>
<td>11.11%</td>
<td>ANZ Investments</td>
<td>Financing development of Australia's natural resources</td>
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<tr>
<td>14.29%</td>
<td>ANZ Banking Group</td>
<td>Service company for administration and provision of bank charge cards</td>
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<tr>
<td>12.50%</td>
<td>ANZ Banking Group</td>
<td>Capital investment in developing countries of Asia</td>
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<tr>
<td>0.70%</td>
<td>ANZ Banking Group</td>
<td>Management of inter-bank telecommunications system</td>
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</tr>
<tr>
<td>0.06%</td>
<td>ANZ Investments</td>
<td>Investment and banking facilities in South-East Asia</td>
<td></td>
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</tbody>
</table>

* Mr. J. A. Hepworth is a partner in the firm of Deloitte Haskins and Sells and Mr. L. N. Jupp is a partner in the firm of Whinney Murray Ernst & Ernst.
† See Page 5.
### Ten Year Summary

The 1976 figures relate to A.N.Z. Group Holdings Limited. Where applicable, figures for prior years relate to Australia and New Zealand Banking Group Limited and 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 E.S&A Savings Bank Limited. Prior to 1969, the figures for The English, Scottish and Australian Bank, Limited and E.S&A Savings Bank Limited were as at 30th June. As a consequence of a revised format for the accounts introduced in 1973, it has been necessary to make certain adjustments to previous years' figures.

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

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

This figure is based on shares of $1 each, whereas previous years’ figures are based on shares of £1 each.

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</table>
Principal Establishments

Administrative Headquarters
351 Collins Street, Melbourne, Victoria
Managing Director: M. Brunckhorst
General Managers:
T. M. Williamson Branch Banking
J. D. Milne Corporate Banking
Assistant General Managers:
R. T. Brunskill, R. W. Davidson
K. E. Hill General Manager, Esanda Limited
J. H. L. Holberton General Manager, international
A. G. Kilpatrick, V. F. Paul, K. O. Wilks
Controller: R. Ashton
Secretary: L. C. Graham

Queensland
Administrative Offices:
324 Queen Street, Brisbane
State Manager: K. A. Esdale
Principal Banking Office in Brisbane:
Queen and Creek Streets
Manager: J. R. Quirk

South Australia
Administrative Offices:
75 King William Street, Adelaide
State Manager: K. G. Crellin
Principal Banking Office in Adelaide:
King William and Currie Streets
Manager: B. L. Arthur

Western Australia
Administrative Offices:
84 St. George’s Terrace, Perth
State Manager: C. J. McCubbing
Principal Banking Office in Perth:
84 St. George’s Terrace
Manager: M. A. Gauntlett

Tasmania
Administrative Offices:
86 Collins Street, Hobart
State Manager: H. V. Newcombe
Principal Banking Office in Hobart:
103 Macquarie Street
Manager: G. F. Leamon

New South Wales
Administrative Offices:
20 Martin Place, Sydney
Assistant General Manager and State Manager:
M. T. Sandow
Principal Banking Offices in Sydney:
Martin Place and George Street
Manager: A. A. Watts
Pitt and Hunter Streets
Manager: E. F. Southwood

Northern Territory
Main Banking Office:
43 Smith Street, Darwin
Manager: J. C. Hammer

Australian Capital Territory
Principal Banking Office in Canberra:
City Walk and Ainslie Avenue
Manager: J. R. Carey
New Zealand
Administrative Offices:
196 Featherston Street, Wellington
New Zealand General Manager: K. R. Porter
Principal Banking Offices:
Wellington
Lambton Quay and Featherston Street
Manager: T. N. Bright
Auckland
Queen and Victoria Streets
Manager: J. A. Mace
Christchurch
85 Hereford Street
Manager: J. S. Clark
Dunedin
Princes and Liverpool Streets
Manager: R. J. Hogan

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

Pacific Islands
Administrative Offices:
351 Collins Street, Melbourne
Regional Manager: A. G. Higgins
Main Banking Offices:
Fiji—Suva
Victoria Parade
Manager: A. G. Kirkland
Solomon Islands—Honiara
Mendana Avenue
Manager: J. P. Kent
New Hebrides—Vila
Rue Higginson
Manager: P. K. Treleaven

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

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

North America
Agency:
63 Wall Street, New York
Chief Agent: T. G. Williams

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

United Kingdom and Europe
Administrative Offices:
71 Cornhill, London, EC3V 3PR
General Manager—Europe: R. C. Wheeler-Bennett
Chief Manager in London: N. V. Pinks
Deputy Chief Managers: C. H. Bennett, R. W. J. Horne
Principal Banking Office in London:
71 Cornhill, London, EC3V 3PR
Manager: J. D. Sanders

Share Registers
VICTORIA (Principal Register)
394 Collins Street, Melbourne, 3000
NEW SOUTH WALES
20 Martin Place, Sydney, 2000
QUEENSLAND
324 Queen Street, Brisbane, 4000
SOUTH AUSTRALIA
75 King William Street, Adelaide, 5000
WESTERN AUSTRALIA
84 St. George’s Terrace, Perth, 6000
TASMANIA
86 Collins Street, Hobart, 7000
AUSTRALIAN CAPITAL TERRITORY
City Walk and Ainslie Avenue, Canberra, 2600
NEW ZEALAND
196 Featherston Street, Wellington
ENGLAND
71 Cornhill, London, EC3V 3PR
Group Services

Branch Banking

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

**Corporate Banking**
- Corporate financing.
- Financing of international trade.
- Provision of euro-currency and foreign currency finance.
- Advice on import and export procedures.
- Oversea remittances.
- Consortium and project financing.
- Business development and trade enquiry services.
- Oil and minerals services.
- Merchant banking associate.

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

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

**Esanda—Finance**
- Instalment credit plans.
- Leasing of motor vehicles and industrial plant.
- Real estate, housing finance.
- Business loans for expansion projects or working capital.
- Discounting.