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# Australia and New Zealand Banking Group Limited

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## Report and Accounts 1979

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## Corporate Objectives

The basic objective of ANZ Banking Group (the Bank) is to provide a comprehensive range of financial and related services and so earn profits which service adequately the investment of shareholders and ensure the Bank's continued growth.

In pursuit of this objective the Bank aims to:

- ensure that its performance in all facets of its operations at least matches that of leading competitors
- develop, in addition to a comprehensive range of Australian and New Zealand activities, a substantial international presence and competence
- maximise contributions from its key resources of personnel, machines, branch representation and capital
- be innovative, progressive and responsive to the needs of its customers within the framework of community restraints and prudent risks, bearing in mind its responsibilities as a custodian of others' funds.

In recognition of its responsibilities as a corporate citizen, the Bank aims to:

- pursue personnel policies which recognize the aspirations and performance of individuals and which are suited to the diverse levels of skills required and the many career paths available in the Bank
- have full regard to the attitudes and expectations of the community at large and contribute, as appropriate, to the formulation of community attitudes and opinions
- act as a reputable, efficient and responsible organization in every country in which it operates.

## Financial Calendar

### Results

First half:	Announced 21st May, 1979
Full year:	Announced 19th November, 1979
Report and accounts:	Circulated 18th December, 1979
Annual General Meeting:	To be held 21st January, 1980

### Dividends

Interim:	Announced 21st May, 1979 Paid 8th August, 1979
Recommended final:	Announced 19th November, 1979 To be paid 31st January, 1980

A summary of the Chairman's address to the annual general meeting will be published in *The Australian Financial Review*, *The Australian* and *The Financial Times*, London, on 22nd January, 1980. Any shareholder seeking a copy of the address should contact Public Relations Department at the Bank's registered office in Melbourne, or Marketing Department in London or Wellington.

A copy of the Bank's 1979 Report to Staff is available to any shareholder on request to any of the three points listed above.

### Administrative Headquarters and Registered Office:

55 Collins Street, Melbourne, Victoria, 3000.

Telephone number: 658 2955

**Secretary:** L. C. Graham

**Controller:** D. Nicolson

**Solicitors:** Blake & Riggall

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

*Cover: ANZ Tower, Melbourne's tallest building, viewed from the Yarra River.*

## Summary of the Year

	<b>1979</b>	<b>1978</b>	<b>% Change</b>
	<b>\$'000</b>	<b>\$'000</b>	
<b>Earnings</b>			
Group operating profit after tax	<b>107,116</b>	75,943	+41.0
Group operating profit and extraordinary items	<b>114,879</b>	79,216	+45.0
Trading bank operating profit, excluding dividends	<b>50,705</b>	27,661	+83.3
Australian Savings Bank operating profit	<b>22,085</b>	19,002	+16.2
Esanda operating profit	<b>28,312</b>	25,317	+11.8
Dividend	<b>29,173</b>	19,265	+51.4

### Balance Sheet

Issued capital	<b>126,747</b>	101,397	+25.0
Shareholders' funds	<b>631,609</b>	535,416	+18.0
Total external liabilities (deposits, debentures, etc.)	<b>11,131,687</b>	9,764,788	+14.0
Total assets	<b>12,749,138</b>	11,079,764	+15.1
Net assets per share	<b>\$4.98</b>	\$5.28	
Ratio of external liabilities to shareholders' funds	<b>17.6:1</b>	18.2:1	

### Performance Ratios

Dividends per share	<b>22.0c</b>	20.0c	
Earnings per share (average, adjusted for bonus issues)	<b>84.5c</b>	59.9c	
Earnings per share (on capital at end of year)	<b>84.5c</b>	74.9c	
Return on shareholders' funds	<b>17.0%</b>	14.3%	
Number of times dividend covered by profits	<b>3.7</b>	3.9	

### The Organisation

Number of shareholders	<b>24,743</b>	24,247	
Number of employees	<b>20,686</b>	20,734	
Points of representation	<b>1,266</b>	1,279	



# Directors



**Sir Ian McLennan, K.C.M.G., K.B.E.  
Chairman**

Sir Ian is a past chairman and chief executive of BHP. He has just retired as chairman of Tubemakers of Australia Ltd., as a director of ICI Australia Ltd. and from the International Council of Morgan Guaranty Trust Co. of New York. He is president of the Australia-Japan Business Co-operation Committee and The Australian Academy of Technological Sciences, chairman of Interscan Australia Pty. Ltd. and a member of General Motors' Australian Advisory Council. Sir Ian is also a director of Barrett Burston (Australia) Ltd. Group and a councillor of the Royal Agricultural Society of Victoria.



**M. Brunckhorst  
Managing Director**

Mr. Brunckhorst has had 44 years' experience in banking. He was appointed managing director in 1976 and is on the board of the Bank's main subsidiaries. He is chairman of Australian Resources Development Bank Ltd. and is a director of Australian Banks' Export Re-Finance Corporation Ltd. and Primary Industry Bank of Australia Ltd. Mr. Brunckhorst is a member of the National Labour Consultative Council, Trade Development Council, Australia/New Zealand Foundation, and the executive of the Australia-Japan Business Co-operation Committee.



**The Hon. E. L. Baillieu**

Mr. Baillieu is a partner in the London-based stockbroking firm of Hoare Govett Ltd. He has been a director of the bank since 1969 and joined the former E. S. & A. Bank in 1967. He is a director of the London Board of Advice of National Mutual Life Association of Australasia Ltd.



**D. C. L. Gibbs**

Mr. Gibbs is executive chairman of the building materials group, Gibbs Bright and Co. Pty. Ltd. He is also a director of a number of Australian companies, including Baillieu Bowring Pty. Ltd., Wm. Haughton and Co. Ltd. and Gibbs Bright Mercantile Insurance Co. Ltd. and of the London Accepting House, Antony Gibbs Holdings Ltd.



**C. J. Harper**

Mr. Harper is a director of several companies with a range of business interests. His directorships include Associated Pulp and Paper Mills Ltd., Carlton & United Breweries Ltd., EZ Industries Ltd., Dalgety Australia Ltd., Dulux Australia Ltd., Humes Ltd., and Vickers Australia Ltd.



**W. J. Holcroft**

Mr. Holcroft is the chief executive and a director of the Sydney-based transport and materials handling group, Brambles Industries Ltd. His background is in finance and accountancy.



**Sir John Holland**

Sir John is the founder and chairman of the Melbourne engineering and construction group, John Holland Holdings Ltd. He is also a director of T. & G. Mutual Life Society Ltd. and the Churchill Memorial Trust.



**M. W. Jacomb**

Mr. Jacomb is a vice-chairman of the U.K.-based merchant banking group, Kleinwort Benson Ltd. He has a number of other directorships, including several U.K. public companies in the finance and investment field.



**G. M. Niall**

Mr. Niall is a solicitor and a partner in the Melbourne legal firm of Blake & Riggall. He is also chairman of National Mutual Life Association of Australasia Ltd. His other directorships include Elder Smith Goldsbrough Mort Ltd., Commonwealth Mining Investments (Australia) Ltd., L. M. Ericsson Pty. Ltd., Volvo Australia Pty. Ltd., Consolidated Gold Fields Australia Ltd., and The Mount Lyell Mining & Railway Co. Ltd.



**L. M. Papps**

Mr. Papps is a solicitor and senior partner in the Wellington legal firm of Bell Gully and Co. He is a director of several other New Zealand companies, including U.E.B. Industries Ltd., Dalgety New Zealand Ltd., New Zealand Motor Corporation Ltd., Odilins Ltd., New Zealand United Corporation Ltd., and Commercial Union Assurance Company of New Zealand Ltd.



**The Right Hon Lord Remnant**

Lord Remnant has been a director of the Bank since 1969 and joined the board of the former E. S. & A. Bank in 1965. He is a chartered accountant and his other directorships reflect his experience in the U.K. finance and investment field. They include Touche Remnant & Co., Union Discount Co. of London Ltd., National Provident Institution, National Film Finance Corporation, as well as a number of investment trust companies.



**Sir William Vines, C.M.G.**

Sir William is chairman of the Australian pastoral group, Dalgety Australia Ltd. He is also chairman of Associated Pulp and Paper Mills Ltd. His other directorships include Tubemakers of Australia Ltd., Dalgety Ltd. (U.K.), Dalgety New Zealand Ltd., Conzinc Riotinto of Australia Ltd. and The Sir Robert Menzies Memorial Trust.



**T. M. Williamson**

Mr. Williamson has had 42 years' experience in banking. He has been general manager — branch banking since 1973. He is on the board of the Bank's main operating subsidiaries and is an alternate director of Australian International Finance Corporation Ltd., Australian Resources Development Bank Ltd., Australian Banks' Export Re-Finance Corporation Ltd., and Primary Industry Bank of Australia Ltd.



# Notice of Meeting

Notice is hereby given that the eleventh Annual General Meeting of Australia and New Zealand Banking Group Limited will be held at the 46th Floor, 55 Collins Street, Melbourne, on Monday, 21st January, 1980, at 12.00 o'clock noon for the following purposes:—

## Ordinary Business

1. To receive and consider the financial accounts of the Company together with the Group accounts of the Company and its subsidiaries for the year ended 30th September, 1979 and the reports of the directors and auditors thereon.
2. To declare a final dividend for the year ended 30th September, 1979 as recommended by the directors and payable to members entered on the register as at 9th January, 1980.
3. To elect directors:  
Sir Ian McLennan, Mr. C. J. Harper, Sir John Holland, Mr. G. M. Niall and Mr. L. M. Papps retire by rotation in accordance with the Company's Articles of Association and, being eligible, offer themselves for re-election. Mr D. C. L. Gibbs, who was appointed a director during the year, is also required to retire in accordance with the Company's Articles of Association, and, being eligible, offers himself for re-election.
4. To transact any other business which may be brought forward in conformity with the Articles of Association.

## Special Business

5. To consider and, if thought fit, to pass the following ordinary resolution:  
That the Board of Directors be and is hereby authorised:
  - (1) to establish a scheme, the principal terms of which are summarised in the printed document submitted to the Meeting and for the purposes of identification subscribed by the Chairman thereof, to be called "the Employee Share Purchase Scheme" for subscription for fully paid ordinary shares in the capital of the Company, being subscription by a trustee or trustees for shares to be held by or for the benefit of full time employees of the Company, including any director holding a salaried employment or office in the Company at such price (not being less than the par value thereof) and upon such terms as may be determined by the Directors in their absolute discretion Provided —
    - (i) that the total par value of such shares held by employees and of any bonus shares issued in respect of such shares shall not at any time exceed 5% of the issued capital of the Company; and
    - (ii) that the number of shares allotted under the Scheme to any one such director during his term of office in that capacity shall not exceed 5,000 shares in total;
  - (2) if necessary, to amend the said Scheme at any time and from time to time to conform with statutory, fiscal, stock exchange and any other requirements existing in Australia, the United Kingdom or any other country where the Company operates but so that the Scheme shall not thereby cease to be one for subscription by a trustee or trustees for fully paid shares in the Company to be held by or for the benefit of such employees (including such directors) as aforesaid;
  - (3) to arrange for loans to be made by the Company on such terms as the Directors think fit to full time employees (including such executive directors as aforesaid) of the Company or any of its subsidiaries for the purpose of acquiring shares under the said Scheme.
6. To consider and, if thought fit, to pass the following special resolutions:
  - (i) That the Articles of Association of the Company be altered in the following manner:  
by renumbering Article 79, Article 79 (a) and inserting at its end the following new sub-Article (b):  
"79 (b) The directors shall also have power to make contracts or arrangements with any one or more of their number or with a person about to become a director of the company whereby on and after that director or person ceasing to hold office by reason of death or otherwise there shall be paid to him or after his death to any one or more of his widow, dependants and legal personal representatives a pension and/or lump sum retirement benefit and to make payments pursuant to any such contracts or arrangements. Subject to the Statutes the directors may determine as they shall think proper the amount of any such pension and/or lump sum retirement benefit and the conditions upon which it is paid."

- (ii) That the following additional sub-paragraph be inserted in Article 84 of the Company's Articles of Association:  
"(F) Upon him attaining the age of 70 years provided however that this age limit shall not apply to any person who holds the office of Chairman so long as he holds that office and in the case of that person his office as a director shall be vacated no later than the conclusion of the Annual General Meeting next after his attaining the age of 72 years."

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

3rd December, 1979.

## Information for Shareholders

### Share Register

The transfer books of the Company will be closed at 5 p.m. on 9th January, 1980, to determine members' entitlements to the dividend.

### Proxies

A member entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend and vote instead of the member. Where more than one proxy is appointed, each proxy must be appointed to represent a specific proportion of the members' voting rights. A proxy need not be a member of the Company. A form of proxy is enclosed. In order to be valid, forms of proxy (properly completed) must be lodged at the respective offices of the Company referred to below not less than 48 hours before the time appointed for the meeting.

- (i) In the case of members registered on any of the Australian Registers of the Company, at the Transfer Office of the Company at 55 Collins Street, Melbourne, Victoria, Australia;
- (ii) In the case of members registered on the New Zealand Register of the Company, at the Branch Share Register Office of the Company at 27-35 Mercer Street, Wellington, New Zealand;
- (iii) In the case of members registered on the London Register of the Company, at the Branch Share Register Office of the Company at 71 Cornhill, London EC3V 3PR, England.

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

### Nomination of Director

The closing date for the receipt of nominations for the office of director is 9th January, 1980, and, for the nomination to be effective, must be lodged with the Secretary at the Registered Office of the Company in Melbourne by that date.

## Special Business

- (i) **Establishment of Employee Share Purchase Scheme**  
For details, please refer to separate Chairman's letter and the attachment thereto.  
Note: The Executive Directors will abstain from voting at the Meeting on the resolution to approve the establishment of the Scheme.
- (ii) **Amendment to the Articles of Association of the Company (Article 79)**  
The existing Articles of Association of the Company (Article 79) empower the Board to pay pensions or other retirement benefits to any director or ex-director of the Company, subject to any limitations imposed by the Statutes, viz. the Companies Act.  
The purpose of the proposed change in the Articles is to allow such benefits to be paid under formal contracts made by the Company with its directors. This new sub-Article will give the directors power to make such contracts on behalf of the company.  
The maximum amount which may be paid to a director by way of a retirement benefit, without the prior approval of shareholders, is limited by the Companies Act to a figure not exceeding the total emoluments of the director in the three years immediately preceding his retirement or death.
- (iii) **Amendment to the Articles of Association of the Company (Article 84)**  
This change provides for a compulsory retiring age for directors.



# Directors' Report

## Introduction

The directors have pleasure in presenting the Bank's Annual Report and the audited accounts for the year to 30th September, 1979.

Undoubtedly the highlight of the year was the outstanding profit performance, which is referred to later under "The Year's Results". A significant development was our offer in May, 1979, to acquire The Bank of Adelaide, which had invited bids from all the Australian private banks. Our offer, 15 ANZ shares for every 44 Bank of Adelaide shares, after allowing for ANZ's one-for-four bonus issue, is regarded by your directors as commercially sound. After delays caused by legal complications, a meeting of The Bank of Adelaide shareholders in Adelaide on 15th October, 1979 voted overwhelmingly to accept our offer, but at the time of signing this Report the necessary approval, which has to be obtained by The Bank of Adelaide from the Supreme Court of South Australia, has not been granted.

There was another important milestone in July, 1979 when the Bank announced that it had obtained approval from the New Zealand Government to form a locally incorporated company, ANZ Banking Group (New Zealand) Limited. The new company acquired the group's existing New Zealand business as from 1st October, 1979. We intend to offer 25% of the issued capital in the new company to the New Zealand public and details of this proposal will be announced soon. The chairman of the new company is Mr. L. M. Papps, a director of the Bank. There are four other New Zealand resident directors, in addition to the two executive directors from our main board.

In July it was announced that the Public Officers' Superannuation Board and the Defence Force Retirement Benefits Board had acquired a 15 per cent interest in our previously wholly-owned subsidiary, Australia and New Zealand Banking Group (PNG) Limited. As a result, ANZ became the first private bank in Papua New Guinea to introduce national shareholders.

Our international expansion is to continue with the establishment of an "offshore" branch in Singapore. Our application to up-grade the representative office which has operated in Singapore since 1974, has been approved by the Monetary Authority of Singapore.

Schemes have been developed to allow staff to share in the Bank's profits and buy shares in the company. Your directors believe the Bank's financial performance, and the return to shareholders, now make it appropriate for the introduction of such schemes. More comment on the schemes is included elsewhere in this Report.

## The Year's Results

It is pleasing to report that consolidated operating profit, before extraordinary items, totalled \$107,116,000, which compared with \$75,943,000 in the previous year. This was an increase of 41.0 per cent and all major operating subsidiaries contributed.

After allowing for extraordinary items, profit totalled \$114,879,000, compared with \$79,216,000 in 1978, an increase of 45.0 per cent.

The profit was after allowing for a distribution to staff of \$4,912,000 from pre-tax profits, under a newly-introduced profit sharing scheme. The distribution cost the Group \$2,816,000 from after-tax profits.

The improved 1978-79 result was principally due to:

- improved interest rate margins on banking assets and liabilities in Australia and New Zealand
- a material increase in the level of deposits not bearing interest
- a lower level of statutory reserve deposits in Australia
- containment of expenses
- improved overseas exchange earnings in most centres
- higher earnings from commissions

Profit of the trading bank, after eliminating subsidiary company dividends, rose 83.3 per cent from \$27,661,000 to \$50,705,000. The main improvement occurred in Australia, where earnings had been depressed for a number of years. Profit of the Australian Savings Bank improved from \$19,002,000 to \$22,085,000, an increase of 16.2 per cent, and the New Zealand Savings Bank profit rose 91.0 per cent from NZ\$1,135,000 to NZ\$2,169,000. The New Zealand result reflected the movement out of low interest rate Government securities into housing loans.

Esanda achieved a satisfactory profit increase of 11.8 per cent to \$28,312,000, from \$25,317,000 in 1978.

Profits of UDC Group Holdings included in the consolidated results totalled NZ\$1,456,000, compared with NZ\$1,101,000 in 1978, an increase of 32.2 per cent.

## SUMMARY OF CONSOLIDATED RESULTS

	1979 \$'000	%	1978 \$'000	%
<b>Income</b>				
Interest received	1,023,922	.	880,891	.
Less interest paid	587,853	.	516,101	.
Net interest received	436,069	68.1	364,790	68.3
Commission and other income (including extraordinary items)	204,610	31.9	169,604	31.7
Total income	640,679	100.0	534,394	100.0
<b>Expenses</b>				
Salaries	207,890	32.4	182,856	34.2
Other personnel expenses	60,333	9.4	58,469	11.0
Building occupancy expenses	52,633	8.2	47,220	8.8
Other expenses	108,007	16.9	100,755	18.9
Total expenses	428,863	66.9	389,300	72.9
Income tax	96,025	15.0	65,302	12.2
Dividends	29,173	4.6	19,265	3.6
Minority shareholders' interests	912	0.1	576	0.1
Retained earnings (including reserves)	85,706	13.4	59,951	11.2
Total	640,679	100.0	534,394	100.0



### Dividends

The Board recommends that a final dividend for the year of 12 cents per share be paid on 31st January, 1980 to shareholders registered in the books of the company at the close of business on 9th January, 1980.

An interim dividend of 10 cents per share was paid on 8th August, 1979 on the capital of \$126,746,604, which included the one-for-four bonus issue of 25,349,321 fully paid shares issued in July, 1979.

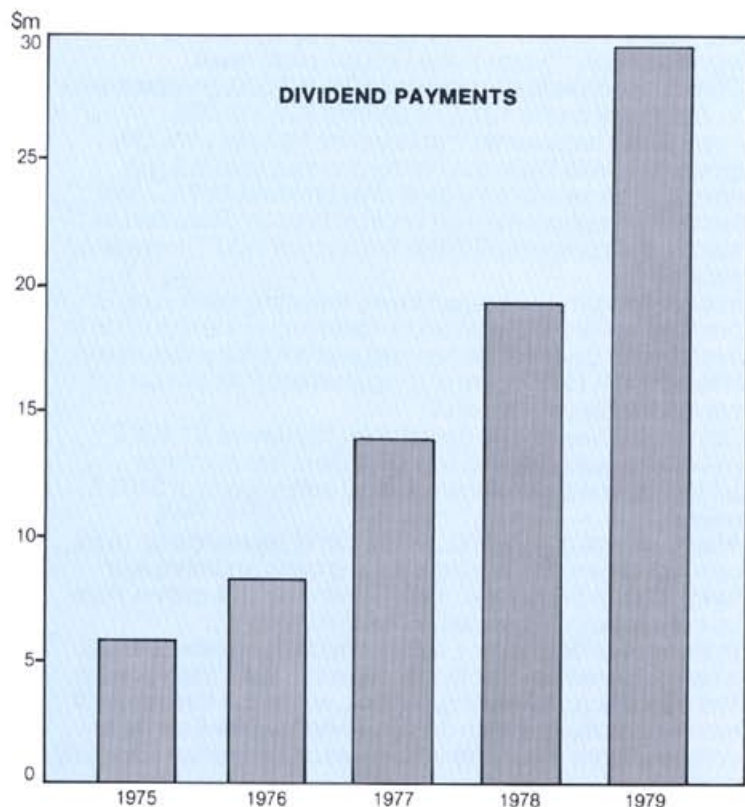
The total dividend for the year will be 22 cents per share, compared with 20 cents a share in the previous year on a lower paid-up capital.

For shareholders resident outside Australia, the final dividend is subject to Australian withholding tax, deductible at source. United Kingdom resident shareholders on the London register will be paid the sterling amount, subject to a further deduction (currently 15 per cent) in respect of United Kingdom tax. The final dividend to shareholders on the London and Wellington registers will be converted at the exchange rate current at 9th January, 1980.

If the merger with The Bank of Adelaide proceeds, ANZ shares issued in exchange for Bank of Adelaide shares will rank for the final dividend, and the proposed final dividend provided for in the accounts allows for this. If the final dividend is paid to former Bank of Adelaide shareholders, the 1978-9 dividend distribution will total \$29.17 million. Excluding such a payment, the total distribution will be \$27.88 million. In 1977-78 the total dividend distribution was \$19.26 million.

The 1978-79 distribution maintains the growth in dividend payments in recent years and particularly since 1976, when the transfer of domicile from England to Australia freed the Bank of dividend restraints (see chart below).

The increase in the proportion of the Bank's shares registered in Australia generated by the transfer of domicile, continued in the latest year. At 24th October, 1979, 64.4 per cent of the shares were registered in Australia, compared with 62.4 per cent a year earlier; 34.2 per cent remain registered in the United Kingdom and 1.4 per cent in New Zealand.



### Inflation Accounting

In recent years the Bank has followed with interest developments in the area of inflation accounting and we have joined in a number of submissions to the Australian Accounting Research Foundation.

We are mindful of the request of the accounting bodies to publish current cost accounting information on a supplementary notation basis and the motives which prompted the request. We believe, however, that a complete standard, which could be acceptable as a basis for determination of taxable income, should be developed before current cost accounting is introduced in any form.

We maintain our interest in developments locally and overseas and will continue to support the accounting bodies' efforts to develop an acceptable standard.

### Operations

A gratifying aspect of the improved group trading result in 1979 was the continued improvement in the contribution made by the parent trading bank. The trading bank profit of \$50.7 million accounted for 47.3 per cent of total group earnings in the latest year. This compared with 36.4 per cent in 1977-78 and 30.4 per cent in 1976-77.

ANZ's progressive diversification into a wider range of financial interests in recent years has not altered the fact that the trading bank remains the base and the focal point of the group's activities. Thus, it concerned the directors that the proportionate profit contribution from this source had been declining. The improved performance over the last two years has reflected, in part, concerted management action in all centres to control costs and increase revenue from our trading bank fees and charges which, in many instances, still fail to cover the costs of providing the service involved. Other contributing factors are listed in "The Year's Results" section of this Report.

Bankcard, the Australian banks' credit card consortium, has attracted uninformed and, in some cases, deliberately misleading public comment during the year. It has been suggested that the member banks of the Bankcard scheme have created a monopoly cartel which charges unduly high interest rates, resulting in excessive profits. The reality is that Bankcard operates in a competitive market which includes world-wide credit card schemes, as well as many department store credit cards. Other organisations are, of course, free to enter this market. If public acceptance is the criterion by which the merits of any service is judged, Bankcard obviously does not offend. There are now over two million active cardholders.

Bankcard has now been operating for almost five years and at 30th September, 1979, ANZ had 403,931 cardholders and 20,251 merchant clients. Our experience over the five years has been:

Net operating profit (loss) for the year to 30th September				
\$'000s				
1975	1976	1977	1978	1979
(3,079)	(3,693)	(1,801)	806	1,675

Accumulated operating losses (\$6,092,000) and start-up expenses (\$2,012,000) totalled \$8,104,000 at 30th September, 1979, and it will be some time yet before these are recouped. Nevertheless, Bankcard will be a useful contributor to group results over future years.

A welcome development during the year was the establishment of the Inquiry into the Australian Financial System. We believe that there are excessive official controls on banks in Australia, and that this inhibits them from properly fulfilling their role as low-cost, efficient providers of credit. In particular, the interest rate ceilings and lending guidelines place banks in a competitive strait-jacket. Our bank's attitude to deregulation is detailed in our submission to the Financial System Inquiry, in which we said in part:



"It is ANZ's firmly held conviction that banks should remain the corner-stone of the financial system. They have fulfilled this role capably in the past and can be expected to do so in the future.

The banking system has been severely handicapped since World War Two by the impact of regulations and the operation of monetary policy, and its role in the financial sector has diminished accordingly.

ANZ wishes to see competitive equity established by removal of the discriminatory regulations and controls under which the banks operate."

Apart from the question of deregulation, the Inquiry has given a good deal of attention to bank capital adequacy and the possible admission to and role of foreign banks in the Australian capital market. It may well be that, at some future time, the licensing of more foreign banks will be advantageous to Australia. In the meantime we believe much remains to be done by way of deregulation and the reorganisation of existing markets before a more liberal policy is adopted.

Australia is well served by its existing banks, and by the services they provide internationally and at home. Foreign financial organisations, including some of the world's largest banks, already have substantial penetration of the Australian market through a wide range of non-bank financial institutions. The authorities will need to look carefully at the destabilising effect of too hasty or too liberal an approach to this question.

With regard to capital adequacy, ANZ has a high regard for prudent and responsible policies. However, while our thinking can accommodate the establishment of minimum guideline ratios to which banks should conform, we see little merit in setting arbitrary mathematical ratios which have no regard for the more important and fundamental factors of sound management, liquidity and portfolio construction. The essence of the matter is that regulatory authorities should look at each bank for which they have responsibility as a separate and distinctive entity, to be judged by a wide mix of criteria. In Australia, the small number of banks provides our Central Bank with substantial advantages in achieving effective oversight.

It has been encouraging to note the thorough and capable manner in which the initial work of the Campbell Inquiry has been conducted and also the recent assurance given by the Federal Treasurer that the Government will give close attention to the recommendations of the Inquiry.

### Trading Bank in Australia

The relatively high rate of growth in the broadly defined volume of money (M3) in the year to 30th September, 1979 (10.2 per cent) had considerable relevance to the trading bank's activities.

One of the contributing factors to M3 growth was an increased rate of bank lending. ANZ's average total loans outstanding over the year to September, 1979 rose by 13.2 per cent (to \$2,938 million), compared with an increase of 10.3 per cent (to \$2,597 million) in the previous year. Higher M3 growth, in turn, was reflected in higher trading bank deposit growth. ANZ average total deposits over the year to September, 1979, rose by 9.3 per cent (to \$3,820 million), compared with only 0.5 per cent (to \$3,496 million) last year. The proportion of average interest bearing deposits to average total deposits declined further, from 60.3 per cent to 58.1 per cent. Two years ago the figure was 61.7 per cent. There was further progress in the marketing of insurance services, underwritten by the Commercial Union Assurance Company of Australia. About 98 per cent of Australian branches now are earning commission on Insuranz policies. Marketing of similar services has begun in New Zealand and is proceeding satisfactorily.

At 30th September, 1979, the Bank had 744 branches (85 per cent of the total) with accounts processed by computer, compared with 671 a year earlier. It is planned to expand the number of branches with on-line terminals in Melbourne and Sydney from 50 to about 160 by September, 1980. The Bank has been implementing recommendations made in a report commissioned from Arthur Andersen and Co. Enhanced efficiency of data processing activities is expected to result. The report confirmed the planned direction of the Bank's future developments in this area. A separate examination of security and audit practices in the data processing operation was undertaken by Peat, Marwick, Mitchell & Co. Existing practices were found to be satisfactory, but the report has laid the groundwork for the establishment of security standards of world class.

### Savings Bank in Australia

Factors inhibiting deposit growth in the latest year included the introduction of an income tax surcharge in November, 1978 and the raising of the interest rate on Australian Savings Bonds in April, 1979.

In the year to September, 1979 ANZ average deposits rose by 9.2 per cent, compared with 9.8 per cent in the previous year.

The Bank's average housing loans outstanding during the year rose by 22.5 per cent, compared with 21.9 per cent previously. The higher growth of outstandings, despite slower deposit growth, largely reflected the reduction from 45 per cent to 40 per cent, in August, 1978, in the proportion of savings banks' assets prescribed for investment in Government securities and other liquid assets.

Interest rate controls place the Australian savings banks at serious competitive disadvantages and their share of financial assets is declining. Despite the 1978 relaxation in the prescribed asset ratio, the investment range remains limited. The position vis-a-vis building societies, which are not subjected to such restraints, is unsatisfactory and greater freedom to compete on equal terms is urgently required and seemingly in the national interest.

### Esanda Limited

Our wholly-owned finance subsidiary again made a significant contribution to the Group's profit result. Consolidated profit after tax was \$28,312,000, an increase of 11.8 per cent on the 1977-78 profit of \$25,317,000.

Average net receivables increased by 16.3 per cent. This growth rate was lower than in the previous year but was nevertheless satisfactory, given that demand for Esanda's facilities throughout the year could at best be described as steady and competition within the finance industry remained strong.

Interest margins were again lower, reflecting continuing pressure on lending rates and a steady reduction in average borrowing rates. Net bad and doubtful debts varied little from the 1978 figure and represented 0.41 per cent of net receivables at year-end.

Net receivables at 30th September, 1979 were \$1,407.2 million, including leasing \$645.0 million, hire purchase \$346.1 million and commercial/real estate loans of \$161.5 million.

After payment of a \$9,500,000 dividend, representing 16.52 cents per share, to the parent trading bank, shareholders' funds at 30th September, 1979 totalled \$152.4 million. Paid-up capital was unchanged at \$57.5 million.

In the year under review Esanda introduced a new concept when it opened its first office independent of a bank branch. The new office, at Geelong, Victoria, will be the forerunner of more such offices, which are designed to allow Esanda to compete more effectively in all areas of the finance company market.



### The Trading Bank in New Zealand

During 1978-79 the monetary authorities increasingly used open market operations as a means of financing the budget deficit and restraining growth in private sector credit. Interest rates on government securities, trading bank deposits and other private sector investments rose steadily.

Reflecting these developments, ANZ's demand deposits grew by only 7.1 per cent in the year to September, 1979 (compared with 15.6 per cent in 1977-78), while term deposits rose by 23.4 per cent (27.7 per cent previously). Consequently, ANZ's ratio of term deposits to total deposits rose from 61.5 per cent to 64.8 per cent during 1978-79. With the level of domestic activity increasing strongly through the second half of 1978 and remaining relatively buoyant into 1979, demand for finance increased sharply. The rate of growth of trading bank lending grew strongly during the first half of 1978-79, then fell steadily during the second half, as the monetary authorities tightened reserve asset ratio policy. Nevertheless, ANZ's total loans outstanding rose by 24.0 per cent during 1978-79, compared with 10.4 per cent in 1977-78.

### The Savings Bank in New Zealand

Deposits of our Savings Bank were NZ\$214.0 million in September, 1979, a rise of 18.1 per cent over the year. Most of the growth occurred in shorter-term investment accounts, reflecting the more attractive rates paid for these funds. Following the announcement in September, 1978 that private savings banks would no longer be required to invest in special government stock yielding only 3.75 per cent, the bank has been able to replace a substantial portion of its special stock with higher-yielding government securities and housing mortgages. This contributed both to an improvement in profitability and to lower interest rates on mortgage lending, despite a strong rise in the average cost of deposits. The bank welcomes this reduction in official discrimination against private savings banks and hopes for further progress towards more equitable and lower government securities ratios for banks.

### Other Financial Interests

UDC Group Holdings Limited, the publicly-listed New Zealand finance group in which the Bank has a 64 per cent interest, completed another successful year of trading to 31st March, 1979. Group trading profit after tax increased by 33.8 per cent from NZ\$1,810,000 to a record NZ\$2,422,000.

Australian International Finance Corporation, our Melbourne-based merchant banking affiliate, lifted net operating profit by 3.8 per cent from \$1,596,000 to \$1,658,000 in the year to 30th June, 1979. Our bank and three major overseas banks each have a 25 per cent shareholding in AIFC.

Australia and New Zealand Banking Group (PNG) Limited, the Bank's Papua New Guinea subsidiary, lifted net operating profit by 17.6 per cent from K533,077 to K627,320 during the year to 30th September, 1979. As mentioned earlier in this Report, our shareholding was reduced from 100 per cent to 85 per cent during the year.

ANZ Finance (Far East) Limited, the wholly-owned Hong Kong subsidiary established by the Bank in August, 1978, had a successful first year of operations to 30th September, 1979. The net operating profit for the period was \$A660,326 and at balance date total assets were \$A32.26 million.

### Europe

Our London operations continue to make a worthwhile contribution to group profit, because of our active participation in sterling and Euro-currency markets. However, restrictions still apply to sterling lending through the

operation of the supplementary special deposit scheme. The Bank has joined syndicates for Euro-currency lending where acceptable returns can be found in countries in which we have traditional interests. Foreign exchange turnover has expanded modestly, with our Bank more than maintaining its market share, particularly in Australian and New Zealand currency dealings.

As announced previously, our Marble Arch and Strand branches will close on 31st December this year, leaving City Office, 71 Cornhill, as our only representation in London. We have decided on these closures because the costs of providing personal banking services are escalating so much that it is no longer possible for us to do so economically, particularly when these services are available through the widespread branch networks of the major United Kingdom banks.

In future, we intend to concentrate on wholesale and international banking in London and to devote our resources to these more profitable activities. The recent removal of exchange controls by the United Kingdom Government should help in this regard.

### Representation

In May the Bank occupied the top (46th) floor of ANZ Tower, our new administrative headquarters, which is part of the Collins Place project in Melbourne. The Bank is leasing ANZ Tower from the AMP Society and now occupies the lower section of the building, up to floor 22, and floor 46, which contains the board room, plus dining and reception areas. Floors 22-45 are being sub-leased and we now have tenants for all but a small area of one of these floors.

As part of the rationalisation of our Collins Street representation, associated with the move into ANZ Tower, redundant properties at 394 and 400 Collins Street were sold during the year for a total of \$3,820,000.

Over the past year, one new branch has been opened and sixteen closed, twelve as a result of mergers where there was dual representation. Twelve agencies were closed and five opened, while three sub-branches were closed and six opened. These changes are part of the Bank's continuing effort to provide a flexible representation network in line with customer requirements.

Six Service Centres have been opened in the metropolitan areas of Melbourne and Sydney. This is a new, streamlined form of ANZ representation aimed at providing service in situations not conducive to a full branch.

Re-organisation of our branch network into Area Administrations has progressed to the stage where New Zealand and all Australian States, except Western Australia, are operating on an Area system. In South Australia, the approach has been modified to cater for local conditions and a similarly modified system is being considered for Western Australia.

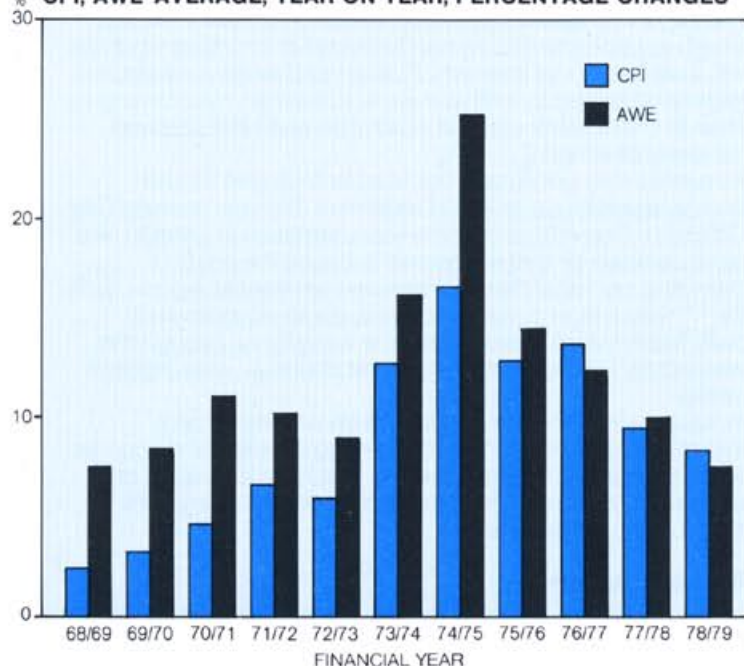
### The Australian Economy

The year to June, 1979 was marked by an increased rate of economic growth compared with the indifferent performance of recent years, strengthening investment, a further easing in the rate of inflation and generally improved levels of corporate profitability. A surge in rural output, particularly of wheat, boosted real gross domestic product 4.7 per cent. This was the sharpest rate of increase since 1973-74 and compared with a rise of only 1.0 per cent in 1977-78.

The rise in the Consumer Price Index for 1978-79 was 8.2 per cent; in 1977-78 the rise was 9.5 per cent. Average weekly earnings rose 7.7 per cent in 1978-79. For the second time in three years, this was less than the rate of increase in prices, which has helped to produce growing pressure on the indexation system of setting official wage rates (see chart next page).



CPI, AWE AVERAGE, YEAR ON YEAR, PERCENTAGE CHANGES



Australian Bureau of Statistics figures show mixed trends in the labour market. In October, 1979 there were 389,000 people unemployed. This represented 6.0 per cent of the workforce, compared with 5.8 per cent in October, 1978. The rise occurred despite an 11.2 per cent fall in the number of adult males unemployed. A matter of concern is the continuing high rate of youth unemployment — 17.8 per cent in October, 1979, compared with 16.2 per cent in October, 1978.

There was moderate growth in private consumption spending and a welcome upturn in private investment spending. ANZ's index of quantity of factory production rose 3.1 per cent in 1978-79 — the best rise since the 1973-74 boom, when it rose by 9.2 per cent.

The long term bond rate in November, 1978 was set at 8.8 per cent, clearly below the market's expectations. Thus, during 1979, the Government found it necessary to increase the official long term rate and it reached 10.0 per cent in August, 1979. Bond rates generally appeared to stabilise during the September quarter, although market activity was concentrated at the short end indicating hesitancy about the likely course of rates.

Private sector liquidity conditions permitted a reduction in bank term deposit rates during the December quarter of 1978 and March quarter of 1979. Then there was a seasonal firming in rates during the main tax payment period, and subsequently there was little scope for seasonal reductions as liquidity tightened in the September quarter of 1979. This reflected a relatively modest government deficit and a widening differential between local and United States interest rates, which encouraged an outflow of private capital.

### The New Zealand Economy

Economic activity increased markedly from mid-1978 and most sectors of the economy experienced relatively buoyant demand in 1979.

The recovery in domestic activity was enhanced by rapid growth in the money supply, partly due to the high 1978-79 government budget deficit. To restrain inflation and the balance of payments deficit, the authorities have been anxious to prevent further rapid expansion of credit, and monetary policy has been tightened during 1979.

At the same time, other government policies helped to maintain buoyant consumer demand during the second half

of 1979. Among these were a 4.5 per cent general wage order in September, 1979, personal tax cuts and a doubling of the Family Benefit in October, 1979, and general acceptance of award wage increases for 1979-80 of around 10 per cent (on top of the general wage order).

Economic growth seems likely to be lower in 1979-80 than in the previous year, reflecting slower growth in farm incomes, rising inflationary pressures, tighter business liquidity from the first half of 1980 and the prospect of an increasing current account deficit in the balance of payments.

Overseas prices for farm products are expected to remain satisfactory in 1979-80, but growth of export receipts should slow. This, together with the impact of higher oil prices and a higher volume of imports, is likely to result in a higher current account deficit.

The annual rate of increase of the Consumer Price Index declined during 1978, but rose again in the first six months of 1979 to 12.4 per cent for the year to June, 1979. In the September quarter of 1979 the index was 15.2 per cent higher than in the same quarter of 1978.

The level of unemployment (i.e. those registered as unemployed plus those employed on special work schemes) remained at around 50,000 during 1979 — equivalent to about four per cent of the total labour force.

In June, 1979, the New Zealand dollar was devalued by five per cent. At the same time a new exchange rate policy was introduced, involving smaller, more frequent rate movements than in the past. The value of the dollar is now adjusted progressively, mainly to offset the effects of movements in New Zealand's costs and prices compared with those of major trading partners. Between July and September, 1979, the dollar was devalued a further 1.2 per cent.

An important development during the year was the announcement of government plans for the future use of gas and condensate from the large Maui field. The projects will require considerable overseas investment and it will be well into the 1980s before reliance on costly imported fuels begins to fall significantly. However, the more promising energy outlook is contributing to rising optimism and improving growth prospects for New Zealand in the medium to long term.

### Staff

The Bank's continued sound progress and profit results again this year can be largely attributed to the dedicated efforts of our staff. The Board express its sincere appreciation to all staff for their contribution.

It is recognised that the Bank's most valuable resource is its staff. With this in mind, several initiatives were undertaken during the year aimed at furthering staff participation in the Bank's affairs.

As mentioned earlier, steps have been taken to enable staff in all centres of operation to participate in a profit incentive scheme when high levels of productivity and financial performance are achieved. The Board also considers it appropriate that staff should have the opportunity to buy shares in the Bank, as outlined in the enclosure forwarded with this Report. It is intended that both aspects of the scheme will achieve closer involvement by staff in the Bank's activities and that this will have a favourable impact on the level of efficiency and on management-staff relations. Staff committees have been established with a view to improving communication between senior management and all other staff. Staff representatives, democratically elected, will meet regularly with senior management for a two-way exchange of views. It is hoped these meetings will develop into a positive force for better communication and will contribute to the more successful operation of the Bank. Two additional members of the Bank's Australian staff have been appointed directors of ANZ Pensions Pty. Limited,

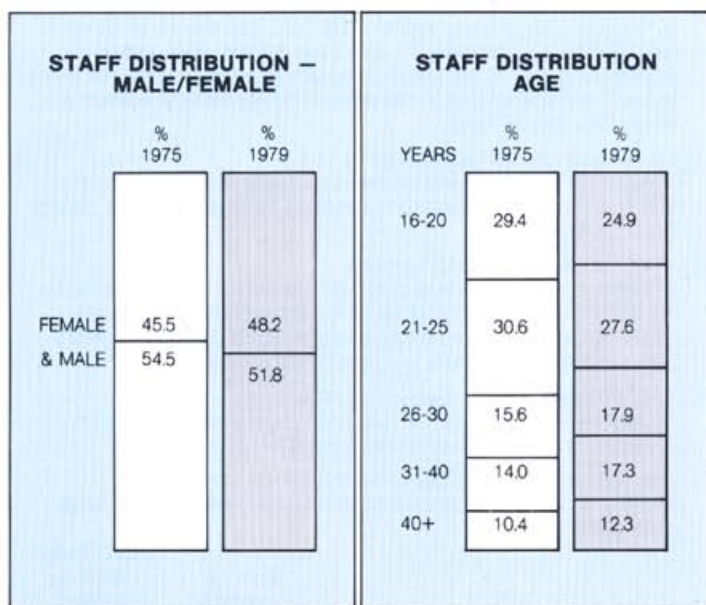


which administers the staff pension schemes of the Bank in Australia and New Zealand. Mr. R. G. Neave, Manager, Roselands branch, NSW, and Mr. R. F. Runco, legal officer, Legal Department, Administrative Headquarters, were elected by a ballot of members. Similar processes will be carried out in the United Kingdom and, after formation of a separate trustee company for the New Zealand pension funds, elections for directors of this company will be held. Continued emphasis has been placed on internal and external training programmes to develop and better equip staff in their jobs now and in the future. During the year more than 250 officers attended residential management training courses. Additionally, many staff attended specialist lending courses, advanced management courses and other specialist courses conducted at local training centres. The Bank also sponsors self development courses covering a range of banking activities and encourages officers to undertake degree/diploma or post graduate courses. During the year the bank bought the John Batman Motor Inn at 69 Queens Road, Melbourne for use as a residential training college. The building overlooks Albert Park lake and surrounding parks and sports grounds. Conversion work has started and we plan to begin using the new premises during the second half of next year. This will obviate our need for outside residential training venues, and enable a more comprehensive training programme to be developed. Staff at 30th September, 1979 totalled 20,686, compared with 20,734 a year earlier. Of the latest total, 51.8 per cent were males and 48.2 per cent females, while 16,868 were employed in Australia, compared with 16,900 in the previous year (see table).

small part in Esanda's growth and success. Mr. K. G. Crellin — State Manager, South Australia and Mr. K. A. Esdale — State Manager, Queensland retired during the year. Both served over a long period and made valuable contributions to the Bank. The Board thanks all these executives and extends good wishes for their retirement.

### Outlook

Unwelcome economic influences emerged toward the end of 1978-79. There is now a widespread expectation that world economic growth in 1980 will be slower than in 1979 while at the same time inflation is likely to accelerate. The hoped for decline in Australia's inflation rate is now likely to be delayed. In these circumstances the main aim of official economic policies is correctly centred on containing Australia's inflation rate below the level of our major trading partners. This policy seems likely to bear fruit during 1980 and, despite the subdued world trading environment, Australia's exports — aided by high rural production — are expected to grow strongly and provide an impetus to overall domestic activity. If this is so, and moderate expansion continues in private consumption spending, growth in economic activity and employment in 1979-80 should be similar to 1978-79. The world-wide trend towards higher interest rates will have an adverse influence on the Bank's results in 1979-80. In Australia, in particular, it will be difficult to hold interest margins at the same favourable level as in 1978-79. Higher wage costs in Australia also seem likely in the year ahead — a challenging prospect for a labour intensive industry like banking. Overall, however, the outlook for the bank is encouraging. Management policies in recent years have been directed to containing costs and maximising revenue, and at the same time ensuring expansion and diversification where justified, and these policies are now coming to fruition. The Bank is well placed to achieve further progress in the year ahead.



*Jan O'Leary* Chairman

*A. Bruckhart* Managing Director

### Senior Staff Retirements

Mr. T. M. Williamson, a director and General Manager — Branch Banking, will retire on 21st January, 1980, so ending a career of almost 43 years with the Bank. Mr. Williamson will be remembered for his ability and dedication and also for the warmth of his personality and his continual concern for the welfare of the staff. He will continue his association with the Bank as a director of ANZ Banking Group (New Zealand) Limited.

Mr. K. E. Hill, an Assistant General Manager of the Bank and General Manager of Esanda, will retire on 27th December this year. Mr. Hill has made an outstanding contribution to the Bank during a career which started in 1935. His wisdom and deep knowledge of the finance industry have played no



## Additional Statutory Information

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

### Directors

The directors of Australia and New Zealand Banking Group Limited at the date of this Report are listed on page 2.

Retiring directors and those eligible and offering themselves for re-election are set out in the Notice of Meeting on page 3.

### 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 36. No significant changes in the nature of the Group's activities have occurred during the year.

At 30th September, 1979, the Company and its subsidiaries had 1,266 branches, sub-branches, agencies and representative offices, located as set out on page 13.

### Subsidiaries

The contributions made by all companies in the Group to consolidated operating profit before extraordinary items, after eliminating intra-group dividends, are listed on page 30.

In July 1979, ANZ Properties (New Zealand) Limited was incorporated in New Zealand. The company will operate as a property holding company.

In July 1979, the Company sold 300,000 shares in Australia and New Zealand Banking Group (PNG) Limited (15% of the issued capital) to the Papua New Guinea Public Officers' Superannuation Fund and Defence Force Retirement Benefits Fund at a price of K1.60 per share.

During the year, E S & A (Security) Proprietary Limited changed its name to Leveraged Lease Packaging Pty. Ltd.

UDC Group Holdings Limited group acquired two additional subsidiaries, Mercantile Securities (Hong Kong) Limited and Quebracho Investments NV.

ANZ Banking Group (New Zealand) Limited was incorporated in New Zealand on 23rd October, 1979 and the Group's operations in that country have been transferred to this subsidiary.

During the year the status of Fifty Seven Willis Street Limited changed from subsidiary company to associated company.

### 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 provisions for doubtful debts of banking companies during the year are as follows:

	<b>\$'000</b>
1. Banking companies*	
Australia and New Zealand Banking Group Limited:	
Transfer to general reserve	27,000
Transfer to provision for long service leave	5,051
Transfer from share premium reserve	25,349
Australia and New Zealand Savings Bank Limited:	
Transfer to general reserve	11,000
2. Non-banking companies	
ANZ Savings Bank (New Zealand) Limited:	
Transfer to general reserve	1,781
ANZ Holdings Limited:	
Transfer to capital reserve	4,228
Transfer to fixed assets revaluation reserve	5,799

	<b>\$'000</b>
Transfer to provision for depreciation and amortisation	845
ANZ Investments Limited:	
Transfer to capital reserve	2,710
ANZ Properties (Australia) Limited:	
Transfer to provision for depreciation	1,665
ES&A Holdings Limited:	
Transfer to capital reserve	389
Transfer to provision for depreciation and amortisation	417
Esanda Limited:	
Transfer to general reserve	17,000
Transfer to provision for identified doubtful debts	200
Transfer to general provision for doubtful debts	1,000
Transfer to provision for depreciation	456
UDC Group Holdings Limited:	
Transfer to provision for depreciation	583

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

### Share and Debenture Issues

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

- Australia and New Zealand Banking Group Limited  
In June 1979, the company increased its authorised capital to \$200,000,000 by the creation of 75,000,000 shares of \$1 each and 25,349,321 ordinary \$1 fully paid shares were issued by capitalising part of the share premium reserve. The shares were issued to shareholders in the proportion of one new share for every four shares held.
- Leveraged Lease Packaging Pty. Ltd.  
In April 1979, Leveraged Lease Packaging Pty. Ltd. (formerly E S & A (Security) Proprietary Limited) increased issued capital from \$4 to \$8.
- ANZ Finance (Far East) Limited  
In September 1979, the authorised capital was increased from \$3,000,000 to \$20,000,000 and Australia and New Zealand Banking Group Limited subscribed for 8,436,000 ordinary \$1 fully paid shares at par to provide funds for expansion.
- ANZ Properties (New Zealand) Limited  
In July 1979, 10,000 NZ\$1 fully paid shares were issued to Australia and New Zealand Banking Group Limited.
- Esanda Limited and UDC Group Holdings Limited  
Details of debenture stock and unsecured notes movements during the year are: —

	Esanda Limited \$'000	UDC Group Holdings Limited NZ\$'000
Debenture stock and unsecured notes at beginning of financial year	1,075,262	72,455
Issued during year	337,085	74,393
Redeemed during the year	203,894	48,164
Debenture stock and unsecured notes at end of financial year	1,208,453	98,684
Loans and deposits held at end of financial year	34,362	13,900
Total borrowed funds at end of financial year	1,242,815	112,584



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Total borrowed funds at end of financial year	1,242,815	112,584



Exemption has been obtained from compliance with the requirements of sub-section 2(f) of section 162A of the Victorian Companies Act 1961 by order of the Commissioner for Corporate Affairs.

### Dividends

Australia and New Zealand Banking Group Limited

The directors propose payment of a final dividend of 12 cents per share, amounting to \$16,498,416, to be paid on 31st January, 1980 and this will be recommended at the Annual General Meeting. Since the end of the previous year a final dividend of 11 cents per share, amounting to \$11,153,701 was paid on 25th January, 1979 and an interim dividend of 10 cents per share amounting to \$12,674,666 was paid on 8th August, 1979. The final dividend paid on 25th January, 1979 was detailed in the directors' report dated 1st December, 1978.

Neither the interim dividend paid on 8th August 1979, nor the current dividend recommendation have been mentioned in previous directors' reports.

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

	Date paid	Amount \$'000
Australia and New Zealand Savings Bank Limited	25.9.79	7,650
ANZ Investments Limited	28.9.79	317
ANZ Holdings Limited	19.9.79	18
Australia and New Zealand Banking Group (PNG) Limited	19.7.79 28.9.79	250 212
Esanda Limited	25.9.79	9,500
ANZ Overseas Finance Limited	20.9.79	115

### Statements Relating to the Accounts

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

- (i) what action had been taken in relation to the writing off of bad debts and the creation of provisions for doubtful debts, and satisfied themselves that all known bad debts had been written off and adequate provision had been made for doubtful debts.
- (ii) that current assets were shown in the accounting records at a value equal to, or below, the value that would be expected to be realised in the ordinary course of business.

At the date of this report:

- (i) the directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of the provisions for doubtful debts of the Company and its subsidiaries inadequate to any substantial extent
- (ii) the directors are not aware of any circumstances which would render the values attributed to the current assets in the accounts of the Company and its subsidiaries misleading
- (iii) no charge on the assets of 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) contingent liabilities have arisen since the end of the financial year in the ordinary course of business. It is impracticable to quantify these liabilities but having regard to their nature the effect on the accounts would not be regarded as material.
- (v) the directors are not aware of any circumstances not otherwise dealt with in this report or the accompanying accounts which would render misleading any amounts stated in the accounts.

No contingent liability or other liability has become enforceable, or is likely to become enforceable, in respect of the Company and its subsidiaries within the period of twelve months after 30th September, 1979 which in the opinion of the directors will or may substantially affect the ability of the Company and its subsidiaries to meet their obligations as and when they fall due.

The results of the operations of the Company and its subsidiaries for the year ended 30th September, 1979 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.

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

### 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 \$108 million in excess of the value shown in the balance sheet, on an existing use basis.

### Accounts

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


### Shareholdings


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

The directors' shareholding interests, beneficial and non-beneficial, in the share capital of the Company and related corporations are detailed on page 14.

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

Signed at Melbourne for and on behalf of the board of directors in accordance with a resolution of the directors this 30th day of November, 1979.

 Chairman

 Managing Director



## Five Year Summary

### Amounts in \$'millions

	1975	1976	1977	1978	1979
Issued capital	59.6	60.1	72.1	101.4	126.7
Operating profit before extraordinary items†	27.4	36.9	43.7	75.9	107.1
Earnings per share (average, adjusted for bonus issue)	42.4c	36.0c	36.1c	59.9c	84.5c
Dividends per share	10.5c	14.2c	20.0c	20.0c	22.0c
Net assets per share	\$4.02	\$4.30	\$4.51	\$5.28	\$4.98
Shareholders' funds	221.3	258.5	325.0	535.4	631.6
Total assets	7,502.0	8,397.4	9,534.2	11,079.8	12,749.1
Total deposits and other accounts*	5,585.6	6,239.5	7,076.7	6,740.1	7,357.3
Trading bank deposits and other accounts*	4,093.9	4,497.9	5,103.6	4,732.6	5,150.2
Trading bank advances, loans, etc.	2,321.9	2,699.5	3,205.4	3,610.5	3,942.8
Trading bank operating profit, excluding dividends†	8.8	9.9	10.9	27.7	50.7
Australian Savings Bank deposits and other accounts*	1,334.8	1,560.0	1,694.8	1,771.9	1,931.1
Australian Savings Bank operating profit†	4.4	7.2	10.0	19.0	22.0
Esanda total assets	622.5	835.1	1,120.8	1,276.5	1,456.4
Esanda operating profit	13.3	18.5	20.2	25.3	28.3

\*Figures to 1977 include deposits and other accounts. Figures for 1978 and 1979 are deposits only following changed basis of reporting.

†Profit figures for Banking Companies to 1977 are after transfers to Contingencies Reserve.

## Trading Bank Deposits and Advances Classified by Industry at July, 1979

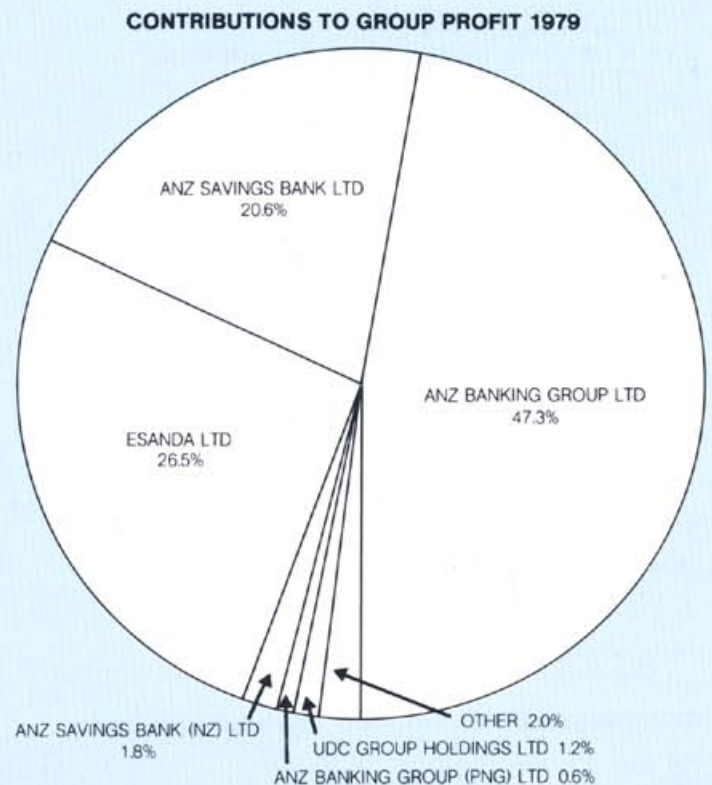
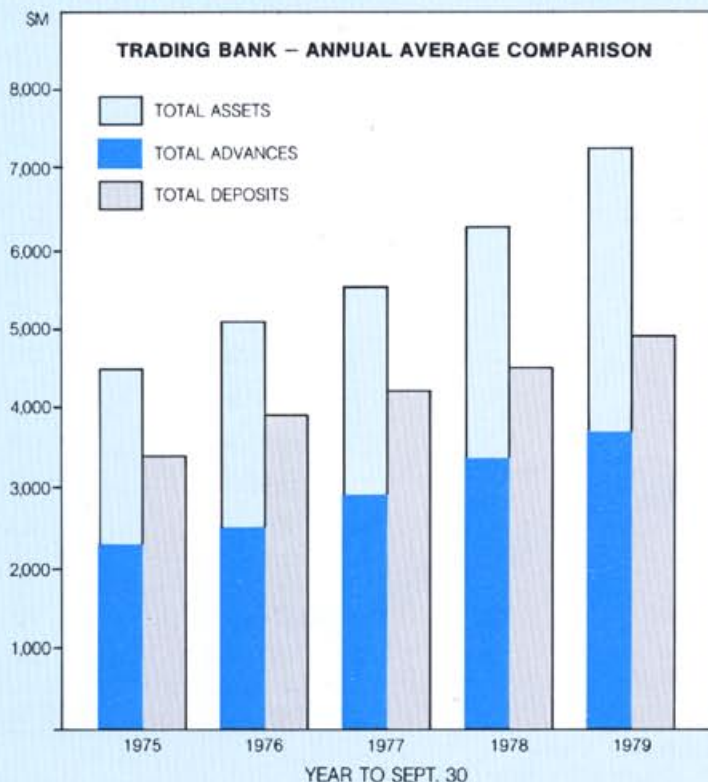
	Total Deposits*		Total Lending	
	Australia %	New Zealand %	Australia %	New Zealand %
Agriculture, pastoral and dairying	5.79	13.70	10.14	13.33
Manufacturing	4.49	5.36	14.34	27.56
Transport	1.22	1.40	1.71	2.08
Finance	8.39	4.83	7.11	2.74
Commerce	5.59	7.68	14.07	22.79
Building	2.35	3.47	4.89	6.00
Other business, including mining	16.71	20.66	16.91	7.79
Public authority	5.42	2.47	0.35	0.69
Persons	40.34	36.12	30.09	17.02
Non-profit organisations	4.60	4.31	0.37	
Government accounts	3.80		—	
Non-residents	1.30		0.02	
	100.00	100.00	100.00	100.00

\* excluding certificates of deposit.



# Spread of Assets, Branches and Staff at 30th September, 1979

	Assets %	Points of Representation	Staff Numbers
Australia	77.6	1,040	16,868
New Zealand	11.5	201	2,719
United Kingdom	6.4	4	626
United States of America	3.3	2	77
Papua New Guinea	0.5	8	168
Fiji	0.3	5	141
New Hebrides	0.1	1	23
Solomon Islands	0.1	1	28
Hong Kong	0.2	1	23
Representative Offices (Japan, Singapore, Manchester UK)	—	3	13
<b>TOTAL</b>	<b>100.0</b>	<b>1,266</b>	<b>20,686</b>





## Analysis of Shareholdings

### Directors' Shareholding Interests

	Beneficial As at 21st October, 1979	Non-beneficial As at 21st October, 1979
Sir Ian McLennan	9,547	—
M. Brunckhorst	860	—
The Hon. E. L. Baillieu	1,592	—
D. C. L. Gibbs	2,500	—
C. J. Harper	—	—
W. J. Holcroft	1,757	—
Sir John Holland	—	—
M. W. Jacomb	980	—
G. M. Niall	—	—
*L. M. Papps	—	—
The Right Hon. Lord Remnant	1,592	—
Sir William Vines	1,250	—
*T. M. Williamson	—	—
	20,078	—

There were no changes in directors' shareholding interest in the Company between 21st October, 1979 and 28th November, 1979.

\*In addition, Mr. L. M. Papps and Mr. T. M. Williamson have a beneficial interest in 1,500 and 972 shares respectively in a related corporation — UDC Group Holdings Limited.

**Average Size of Shareholding as at 15th November 1979** 5,123 (1978 3,435)

Holdings	Shareholders		Shares	
	No.	%	No.	%
1 to 1,000	12,912	52.2	6,389,488	5.0
1,001 to 5,000	10,126	40.9	20,371,385	16.1
5,001 to 10,000	933	3.8	6,346,390	5.0
Over 10,000	772	3.1	93,639,341	73.9
	24,743	100.0	126,746,604	100.0

### Twenty Largest Shareholders

As at 15th November, 1979, the twenty largest shareholders held 45,648,523 shares which is equal to 36.0% of the total issued capital of 126,746,604 fully paid shares of \$1 each. They were:—

Shareholder	No. of Shares	%
A.N.Z. Nominees Limited G.P.O. Box 2842AA Melbourne 3001	10,108,245	8.0
C.T.B. Nominees Limited Sydney Account C/- The Registrar Commonwealth Trading Bank of Australia Box 4122 Sydney N.S.W. 2001	6,992,182	5.5
Australian Mutual Provident Society 535 Bourke Street Melbourne 3000	4,933,814	3.9
The National Mutual Life Association of Australasia Limited 447 Collins Street Melbourne 3000	3,014,046	2.4
National Nominees Limited P.O. Box 84A Melbourne 3001	2,965,627	2.3
Bank of New South Wales Nominees Pty Limited The Wales House 66 Pitt Street Sydney N.S.W. 2000	2,564,047	2.0
Colonial Mutual Life Assurance Society Limited 330 Collins Street Melbourne 3000	1,726,048	1.3
The Pearl Assurance Co. Limited High Holborn London WC1	1,606,871	1.2
Legal and General Assurance Society Limited 11 Queen Victoria Street London EC4	1,442,298	1.1
Manufacturers Mutual Insurance Limited 4th Floor 60 York Street Sydney N.S.W. 2000	1,089,843	0.9
Eagle Star Insurance Company Limited 'H' Account 1 Threadneedle Street London EC2R 8BE	1,054,686	0.8
The Mutual Life and Citizens Assurance Co. Ltd 44-46 Martin Place Sydney N.S.W. 2000	1,014,363	0.8
Midland Bank (Head Office) Nominees Limited 27-32 Poultry London EC2	1,000,000	0.8
A.U.C. Nominees Pty Limited 411 Collins Street Melbourne 3000	952,349	0.8
Prudential Assurance Co. Ltd Life Account 39-49 Martin Place Sydney N.S.W. 2000	951,202	0.8
Nemon and Company Inc. Care New England Merchants National Bank of Boston One Washington Mall Boston Massachusetts U.S.A.	910,000	0.7
Pendal Nominees Pty Limited 40th Level Tower Building Australia Square Sydney N.S.W. 2000	856,975	0.7
Williams & Glyn's Bank Limited "B.E.B." Account 20 Birchin Lane London EC3P 3DP	836,542	0.7
T & G Mutual Life Society Limited Corner Russell and Collins Street Melbourne	829,003	0.7
Provident and Pensions Holdings Pty Limited G.P.O. Box 872K Melbourne 3001	800,382	0.6
	45,648,523	36.0%

### Voting Rights of Shareholders

The articles provide for:

on a show of hands: 1 vote  
on a poll: 1 vote for each share held



**Profit and Loss Statement** for the year ended 30th September, 1979

	<b>Consolidated</b>		<b>Holding Company</b>	
	<b>1979</b>	<b>1978</b>	<b>1979</b>	<b>1978</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Gross Income — Discount and interest earned, net exchange, commission and other items	<b>1,223,091</b>	1,049,790	<b>870,289</b>	755,986
Less: Expenses of management, including interest paid	<b>1,019,101</b>	907,977	<b>750,492</b>	673,408
Operating profit before income tax <span style="float: right;">(note 3)</span>	<b>203,990</b>	141,813	<b>119,797</b>	82,578
Less: Income tax expense	<b>96,025</b>	65,302	<b>51,030</b>	24,965
Operating profit after tax	<b>107,965</b>	76,511	<b>68,767</b>	57,613
Less: Interests of minority shareholders	<b>849</b>	568	—	—
<b>Operating Profit</b> — applicable to shareholders of Australia and New Zealand Banking Group Limited	<b>107,116</b>	75,943	<b>68,767</b>	57,613
Extraordinary items <span style="float: right;">(note 2)</span>	<b>7,826</b>	3,281	<b>225</b>	—
Less: Interests of minority shareholders in extraordinary items	<b>63</b>	8	—	—
<b>Operating profit and extraordinary items</b> — applicable to shareholders of Australia and New Zealand Banking Group Limited	<b>114,879</b>	79,216	<b>68,992</b>	57,613
Retained profits at beginning of year	<b>39,150*</b>	27,804	<b>17,933</b>	10,585
Total available for appropriation	<b>154,029</b>	107,020	<b>86,925</b>	68,198
Less: Appropriations:				
Transfer to reserve funds <span style="float: right;">(note 4)</span>				
— General	<b>56,782</b>	30,418	<b>27,000</b>	22,000
— Contingencies	<b>225</b>	14,500	<b>225</b>	9,000
— Capital	<b>7,573</b>	3,193	—	—
Capitalisation issue of shares by subsidiary	—	427	—	—
Dividends — interim	<b>12,675</b>	8,112	<b>12,675</b>	8,112
— proposed final payable <span style="float: right;">(note 11)</span>	<b>16,498</b>	11,153	<b>16,498</b>	11,153
<b>Retained profits at end of year</b>	<b>60,276</b>	39,217	<b>30,527</b>	17,933

\* After adjustments for changes in rates of exchange during the year and increase in minority interest in a subsidiary company.

The notes appearing on pages 18-24 are an integral part of these accounts.



**Balance Sheet** as at 30th September, 1979

LIABILITIES	Consolidated		Holding Company	
	1979 \$'000	1978 \$'000	1979 \$'000	1978 \$'000
Authorised capital:				
200,000,000 ordinary shares of \$1 each	200,000	125,000	200,000	125,000
Issued and paid up capital:				
126,746,604 ordinary shares of \$1 each, fully paid	126,747	101,397	126,747	101,397
Reserve funds (note 4)	444,586	394,802	231,506	224,520
Balance of profit and loss account	60,276	39,217	30,527	17,933
Share capital and reserves applicable to shareholders of Australia and New Zealand Banking Group Limited	631,609	535,416	388,780	343,850
Minority shareholders' interest in subsidiary companies	6,581	4,624	—	—
Proposed final dividend (note 11)	16,498	11,153	16,498	11,153
Deposits	7,357,342	6,740,118	5,150,224	4,732,559
Borrowings by borrowing corporation subsidiaries (note 6)	1,369,829	1,182,139	—	—
Amounts due to subsidiaries	—	—	60,235	52,789
Due to other banks	759,504	674,640	756,060	673,712
Bank acceptances	844,308	554,708	844,308	554,708
Provision for income tax	71,596	52,057	39,105	21,605
Provision for long service leave	51,948	47,026	51,948	47,026
Bills payable, other provisions and all other liabilities (notes 5(i) & 7)	654,081	498,323	485,277	384,965
	11,763,296	10,300,204	7,792,435	6,822,367
Liabilities under letters of credit, guarantees, etc. (note 11)	985,842	779,560	955,337	762,530
	12,749,138	11,079,764	8,747,772	7,584,897

The notes appearing on pages 18-24 are an integral part of these accounts.



<b>ASSETS</b>	<b>Consolidated</b>		<b>Holding Company</b>	
	<b>1979</b> <b>\$'000</b>	<b>1978</b> <b>\$'000</b>	<b>1979</b> <b>\$'000</b>	<b>1978</b> <b>\$'000</b>
Coin, notes and cash at bankers	<b>219,548</b>	219,279	<b>77,192</b>	76,733
Loans to authorized dealers in Australian short term money market	<b>47,350</b>	132,680	<b>30,200</b>	113,750
Money at short call overseas	<b>14,298</b>	20,542	<b>14,298</b>	20,542
Investments other than trade investments (note 12)	<b>1,907,123</b>	1,939,127	<b>977,944</b>	994,110
Statutory reserve deposit account with Reserve Bank of Australia	<b>207,838</b>	122,397	<b>207,838</b>	122,397
Deposits with Central Banks overseas	<b>3,237</b>	3,226	<b>3,237</b>	3,226
Cheques in course of collection and balances with other banks	<b>681,198</b>	448,137	<b>671,630</b>	439,443
Loans and advances after deducting provisions for doubtful debts (note 5)	<b>5,230,637</b>	4,709,699	<b>3,942,835</b>	3,610,533
Balances outstanding under hire purchase and other agreements less deferred charges and provisions (note 9)	<b>1,501,060</b>	1,231,494	—	—
Bills receivable and remittances in transit	<b>700,716</b>	545,215	<b>657,273</b>	527,561
Bank acceptances of customers	<b>844,308</b>	554,708	<b>844,308</b>	554,708
Amounts due from subsidiaries	—	—	<b>26,225</b>	35,909
Trade investments at cost less amounts written off	<b>5,421</b>	5,644	<b>4,501</b>	3,597
Investments in subsidiaries at cost	—	—	<b>113,923</b>	105,876
Premises and equipment (note 16)	<b>224,395</b>	209,370	<b>71,529</b>	68,812
All other assets (note 13)	<b>176,167</b>	158,686	<b>149,502</b>	145,170
	<b>11,763,296</b>	10,300,204	<b>7,792,435</b>	6,822,367
Liabilities under letters of credit, guarantees, etc. (note 11)	<b>985,842</b>	779,560	<b>955,337</b>	762,530
	<b>12,749,138</b>	11,079,764	<b>8,747,772</b>	7,584,897

The notes appearing on pages 18-24 are an integral part of these accounts.



# Notes on the Accounts

## 1 Bases of Accounting

These financial statements have been prepared in accordance with historical cost concepts except where otherwise indicated and comply with accounting standards so far as they are applicable to banking companies. A changed method of reporting for Banking companies was announced by the Federal Treasurer in September 1978, and the Group accounts have been prepared on the revised basis with 1978 figures adjusted for comparative purposes.

### (a) BASIS OF CONSOLIDATION

The consolidated accounts include the accounts of the holding company and all subsidiary companies; inter-company transactions are eliminated on consolidation. The profit attributable to the holding company shareholders as shown in the consolidated profit and loss statement represents the profit of all companies in the group, less the minority shareholders' proportion of the after-tax profit of certain subsidiary companies, and after eliminating any pre-acquisition profit. The consolidated balance sheet represents the assets and liabilities of all companies in the group. The minority shareholders' interest in net assets is calculated in proportion to the shareholding in certain subsidiary companies and is shown under the heading "Minority shareholders' interest in subsidiary companies" in the consolidated balance sheet.

Under an order made by the Commissioner for Corporate Affairs pursuant to Section 161B of the Companies Act 1961, certain companies listed on page 30 of this report have been authorised to continue to have financial years which do not coincide with the financial year of Australia and New Zealand Banking Group Limited. A similar order was made by the Deputy Registrar of Companies, Wellington, New Zealand, pursuant to subsection (1) of section 157 of the Companies Act 1955 of New Zealand. The consolidated balance sheet includes figures relating to the respective financial years of these companies.

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

A 'banking' company is a bank listed at the First Schedule of the Banking Act 1959 and comprises Australia and New Zealand Banking Group Limited and Australia and New Zealand Savings Bank Limited. All other subsidiaries are included as 'non-banking' companies.

### (c) CONVERSION TO AUSTRALIAN CURRENCY

Overseas profits have been converted into Australian dollars at the rates ruling at the end of the accounting period. Assets and liabilities which are expressed in currencies other than Australian dollars have been converted at the rates ruling at the date of the balance sheets and the net surplus or deficiency arising from such conversions has been dealt with by transfer direct to contingencies reserve in the case of the Banking Companies and, in the case of non-banking subsidiaries through reserves on consolidation (refer note 4).

### (d) LEVERAGED LEASE TRANSACTIONS

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

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

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

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

### (f) BAD AND DOUBTFUL DEBTS

The charge for bad and doubtful debts in the profit and loss account of the Company reflects the average bad debts experience of the current year and the preceding four years and the current volume of lending. Provisions for doubtful debts are deducted from loans and advances in the balance sheet. Operating subsidiaries within the Group maintain appropriate provisions for doubtful debts.

### (g) DEPRECIATION AND AMORTISATION

Expenditure on buildings is depreciated on a straight line basis.

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

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

### (h) TAXATION

Tax effect accounting procedures are applied under the liability method throughout the Group.

### (i) PENSION FUNDS

Expenses include annual payment of the share of accrued pension liabilities in respect of current and past service to the trustees of staff pension funds in terms of funding arrangements made in accordance with actuaries' recommendations. Actuarial valuations are carried out at regular intervals. The assets of the pension funds are held in trust by ANZ Pensions Pty. Limited or ANZ Pensions (U.K.) Limited and are not included in these accounts.

### (j) GENERAL FINANCE SUBSIDIARIES

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



	Consolidated		Holding Company	
	1979	1978	1979	1978
	\$'000	\$'000	\$'000	\$'000
<b>2 Extraordinary Items</b>				
— Surplus on sale of properties	4,882	2,753	—	—
— Deferred tax adjustment, prior years	(95)	199	—	—
— Exchange gain realised	—	21	—	—
— Surplus on sale of shares in subsidiary and associated companies	2,934	440	225	—
— Overprovision/(Underprovision) for tax in prior years	105	(132)	—	—
	<b>7,826</b>	3,281	<b>225</b>	—
No income tax is applicable to the above items				
<b>3 Operating Profit</b>				
Operating profit includes the following income and expense items:				
(a) Interest received or receivable from subsidiaries	—	—	1,510	2,191
(b) Dividend received or receivable from:				
(i) Related companies				
Australia and New Zealand Savings Bank Limited	—	—	7,650	4,750
Esanda Limited	—	—	9,500	15,000 (Special)
ANZ Holdings Limited	—	—	18	8,750
ANZ Investments Limited	—	—	317	64
Australia and New Zealand Banking Group (PNG) Limited	—	—	462	350
ANZ Overseas Finance Limited	—	—	115	377
Endeavour Investments (New Zealand) Limited	—	—	—	—
Zealand) Limited	—	—	—	661
(ii) Other companies	169	160	169	160
<b>Expenses</b>				
(a) Depreciation and amortisation of fixed assets	17,801	15,683	13,635	11,845
(b) Auditors' remuneration				
— audit of accounts	269	250	114	134
— other services	634	276	149	5
The auditors did not receive any other benefits				
(c) Directors emoluments (excluding fixed salaries) received or due and receivable by:				
(i) Directors engaged in full time employment of the Company and related corporations	67	5	67	5
(ii) Other Directors	135	135	114	118
(d) Provision for long service leave	5,051	6,209	5,051	6,209
Provision for non lending losses	(59)	220	1	129
Provision — other	543	—	543	—
	<b>1979</b>	<b>1978</b>	<b>1979</b>	<b>1978</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
(e) Non-banking companies:				
Bad debts written off and transfers to doubtful debts provision:				
Bad debts written off	6,822			5,975
Less — Bad debts recovered	1,030			897
	<b>5,792</b>			5,078
General provision for doubtful debts	1,134			1,295
Provision for identified doubtful debts	197			800
(f) Consolidated interest paid	<b>587,583</b>			516,101



	Consolidated		Holding Company	
	1979	1978	1979	1978
	\$'000	\$'000	\$'000	\$'000
<b>2 Extraordinary Items</b>				
— Surplus on sale of properties	4,882	2,753	—	—
— Deferred tax adjustment, prior years	(95)	199	—	—
— Exchange gain realised	—	21	—	—
— Surplus on sale of shares in subsidiary and associated companies	2,934	440	225	—
— Overprovision/(Underprovision) for tax in prior years	105	(132)	—	—
	<b>7,826</b>	3,281	<b>225</b>	—
No income tax is applicable to the above items				
<b>3 Operating Profit</b>				
Operating profit includes the following income and expense items:				
(a) Interest received or receivable from subsidiaries	—	—	1,510	2,191
(b) Dividend received or receivable from:				
(i) Related companies				
Australia and New Zealand Savings Bank Limited	—	—	7,650	4,750
Esanda Limited	—	—	9,500	8,750
ANZ Holdings Limited	—	—	18	64
ANZ Investments Limited	—	—	317	350
Australia and New Zealand Banking Group (PNG) Limited	—	—	462	377
ANZ Overseas Finance Limited	—	—	115	—
Endeavour Investments (New Zealand) Limited	—	—	—	661
(ii) Other companies	169	160	169	160
<b>Expenses</b>				
(a) Depreciation and amortisation of fixed assets	17,801	15,683	13,635	11,845
(b) Auditors' remuneration				
— audit of accounts	269	250	114	134
— other services	634	276	149	5
The auditors did not receive any other benefits				
(c) Directors emoluments (excluding fixed salaries) received or due and receivable by:				
(i) Directors engaged in full time employment of the Company and related corporations	67	5	67	5
(ii) Other Directors	135	135	114	118
(d) Provision for long service leave	5,051	6,209	5,051	6,209
Provision for non lending losses	(59)	220	1	129
Provision — other	543	—	543	—
	<b>1979</b>		<b>1978</b>	
	<b>\$'000</b>		<b>\$'000</b>	
(e) Non-banking companies:				
Bad debts written off and transfers to doubtful debts provision:				
Bad debts written off	6,822		5,975	
Less — Bad debts recovered	1,030		897	
	<b>5,792</b>		<b>5,078</b>	
General provision for doubtful debts	1,134		1,295	
Provision for identified doubtful debts	197		800	
(f) Consolidated interest paid	<b>587,583</b>		516,101	



**4 Reserve Funds**

	Consolidated		Holding Company	
	1979 \$'000	1978 \$'000	1979 \$'000	1978 \$'000
General Reserve	232,439	175,796	104,150	77,150
Contingencies Reserve	139,022	133,680	106,216	100,880
Share Premium Reserve	25,119	50,468	21,140	46,490
Capital Reserve	38,541	31,295	—	—
Asset Revaluation Reserve	5,799	—	—	—
Adjustment on consolidation	(9,128)	(9,168)	—	—
Reserve on consolidation	12,794	12,731	—	—
	<b>444,586</b>	<b>394,802</b>	<b>231,506</b>	<b>224,520</b>
Transfer to Reserves during the year out of profits				
General Reserve	56,782	30,418	27,000	22,000
Contingencies Reserve	225	14,500	225	9,000
Capital Reserve	7,573	3,193	—	—
Transfer to Reserves during the year from sources other than profits				
Contingencies Reserve — currency conversion adjustment	5,117	4,500	5,111	4,494
Share Premium Reserve from premium on issue of 11,266,365 shares	—	19,262	—	19,262
Capital Reserve — on revaluation of land	—	286	—	—
— on currency conversion adjustment	(160)	406	—	—
Asset Revaluation Reserve — on revaluation of land and buildings	5,799	—	—	—
Transfer from Share Premium Reserve				
Bonus share issue	25,349	18,026	25,349	18,026
Transfer from Capital Reserve				
Bonus share issue	—	978	—	—

**5 Provisions**

(i) Included in bills payable, other provisions and all other liabilities				
Provision for deferred income tax	41,204	30,662	28,706	19,075
Provision for non-lending losses	2,467	2,533	2,282	2,280
Provisions — other	543	—	543	—
Non-banking companies:	1979 \$'000		1978 \$'000	
(ii) Deducted from loans and advances				
Provision for doubtful debts	532		389	
(iii) Deducted from balances outstanding under hire purchase and other agreements (See note 9)	8,952		7,728	



**6 Borrowings by Borrowing Corporation Subsidiaries**

	<b>1979</b> <b>\$'000</b>	<b>1978</b> <b>\$'000</b>
Borrowings not separately detailed in the balance sheet are as follows:		
<i>Maturing within 12 months</i>		
Debenture stock (secured)	<b>249,629</b>	202,122
Unsecured notes, loans and deposits	<b>355,328</b>	239,336
Mortgages	<b>4,806</b>	8,702
<i>Maturing after 12 months</i>		
Debenture stock (secured)	<b>652,562</b>	604,875
Unsecured notes, loans and deposits	<b>107,153</b>	126,341
Mortgages	<b>351</b>	763
	<b>1,369,829</b>	1,182,139

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

**7 Current Liabilities of Non-Banking Companies**

Included in bills payable other provisions and all other liabilities

	<b>1979</b> <b>\$'000</b>	<b>1978</b> <b>\$'000</b>
Trade creditors and bills payable	<b>12,653</b>	8,349
Other current liabilities	<b>99,551</b>	47,904
	<b>112,204</b>	56,253

**8 Liabilities Payable by Borrowing Corporation Subsidiaries**

	<b>1979</b> <b>\$'000</b>	<b>1978</b> <b>\$'000</b>
Within one year	<b>685,669</b>	519,276
Between one and two years	<b>343,250</b>	321,274
Between two and five years	<b>390,387</b>	401,829
After five years	<b>12,372</b>	8,594
Total borrowed funds and current liabilities	<b>1,431,678</b>	1,250,973



<b>9 Balances Outstanding under Hire Purchase and Other Agreements of Non-banking Companies</b>	<b>1979</b>		<b>1978</b>	
	<b>\$'000</b>		<b>\$'000</b>	
Gross receivables	<b>1,855,146</b>		1,550,320	
Less: Income yet to mature	<b>354,086</b>		318,826	
	<b>1,501,060</b>		1,231,494	
Gross receivables are after deducting:				
Provisions for identified doubtful debts	<b>1,700</b>		1,500	
General provision for doubtful debts	<b>5,752</b>		4,728	
Provision for contingencies	<b>1,500</b>		1,500	
<b>10 Debts Receivable by Borrowing Corporation Subsidiaries</b>				
	<b>1979</b>		<b>1978</b>	
	<b>\$'000</b>		<b>\$'000</b>	
Not later than two years	<b>1,306,638</b>		1,158,116	
Between two and five years	<b>565,973</b>		480,837	
After five years	<b>40,238</b>		32,707	
	<b>1,912,849</b>		1,671,660	
Less: Income yet to mature on amounts receivable and general provision for doubtful debts and contingencies	<b>361,338</b>		325,054	
	<b>1,551,511</b>		1,346,606	
<b>11 Contingent Liabilities</b>				
	<b>Consolidated</b>		<b>Holding Company</b>	
	<b>1979</b>	<b>1978</b>	<b>1979</b>	<b>1978</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Liabilities under letters of credit, guarantees, etc. include:				
Commercial bills endorsed	<b>42,580</b>	48,557	<b>35,030</b>	46,657
Liabilities under letters of credit	<b>538,869</b>	385,227	<b>534,028</b>	384,052
Guarantees entered into in the normal course of business	<b>337,175</b>	302,721	<b>329,589</b>	295,816
Other	<b>67,218</b>	43,055	<b>56,690</b>	36,005
	<b>985,842</b>	779,560	<b>955,337</b>	762,530
Forward exchange contracts	<b>4,006,497</b>	2,226,032	<b>3,632,129</b>	2,184,200
	<b>4,992,339</b>	3,005,592	<b>4,587,466</b>	2,946,730

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, and 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.

On 29th August 1979, Australia and New Zealand Banking Group Limited entered into an Agreement with The Bank of Adelaide whereby upon agreement of the members of The Bank of Adelaide to a Scheme of Arrangement between it and its members, approval of the Supreme Court of South Australia to the proposed Scheme and the proposed Scheme becoming effective, Australia and New Zealand Banking Group Limited would issue and allot 10,740,200 shares being 15 \$1 ordinary fully paid shares for 44 \$1 ordinary shares in The Bank of Adelaide. Under the Scheme The Bank of Adelaide would become a wholly owned subsidiary.

Approval of the Supreme Court of South Australia and the filing of the necessary orders is required by the 30th November, 1979, for the Scheme to become effective. At the time of signing these accounts, the Court approval has not been given nor has the Court extended the time limit.

In terms of the Scheme documents the 10,740,200 ordinary shares referred to above rank for the final dividend. The proposed final dividend provided for in the accounts allows for this, the relative amount being \$1,289,000.







**16 Premises and Equipment**

	<b>1979</b>		<b>1978</b>
	<b>\$'000</b>		<b>\$'000</b>
(a) Banking companies			
Freehold and leasehold land and buildings at cost less amounts written off	<b>8,992</b>		13,004
Computers, furniture, office machines and other equipment at cost, less amounts written off	<b>62,537</b>		55,808
	<b>71,529</b>		68,812
(b) Non-banking companies			
Freehold and leasehold land and buildings			
— at directors' valuation 1974	<b>4,290</b>		4,290
— by independent valuation 1976	<b>616</b>		616
— at directors' valuation 1978	<b>682</b>		682
— at directors' valuation 1979	<b>10,785</b>		—
— at cost	<b>131,948</b>		130,261
	<b>148,321</b>		135,849
Deduct: Provision for depreciation on buildings	<b>11,057</b>	<b>137,264</b>	11,243
			124,606
Plant, furniture, fixtures and fittings at cost	<b>27,681</b>		25,435
Deduct: Provision for depreciation	<b>12,565</b>	<b>15,116</b>	9,941
			15,494
Leasehold improvements at cost	<b>707</b>		632
Deduct: Provision for amortisation	<b>221</b>	<b>486</b>	174
			458
		<b>152,866</b>	140,558
Total consolidated premises and equipment		<b>224,395</b>	209,370

**17 Capital Expenditure Commitments**

	<b>1979</b>		<b>1978</b>
	<b>\$'000</b>		<b>\$'000</b>
Contracts for outstanding capital expenditure not provided for in these accounts totalled:			
Banking companies	<b>2,674</b>		6,163
Non-banking companies	<b>5,869</b>		5,670



## Statutory Statements

### Statement by the Directors

In the opinion of the directors of Australia and New Zealand Banking Group Limited the accompanying balance sheet is drawn up so as to give a true and fair view of the state of affairs of the Company as at 30th September, 1979, and the accompanying profit and loss statement is drawn up so as to give a true and fair view of the profit of the Company for the year ended 30th September, 1979.

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

- (a) the profit of the Company and its subsidiaries for the year ended 30th September, 1979; and
  - (b) the state of affairs of the Company and its subsidiaries for the year ended 30th September, 1979
- so far as they concern members of the holding Company.

Dated at Melbourne this 30th day of November, 1979.

Signed in accordance with a resolution of the directors.

**Ian McLennan** *Director*

**M. Brunckhorst** *Director*

### Statement by the Principal Accounting Officer

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

Dated at Melbourne this 30th day of November, 1979

**D. Nicolson**

*Principal Accounting Officer*  
Melbourne

## Auditors' Report

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

In our opinion:

- (a) the accompanying accounts and group accounts as set out on pages 15 to 24, being the balance sheet and profit and loss statement of Australia and New Zealand Banking Group Limited and the consolidated balance sheet and consolidated profit and loss statement of the Company and its subsidiaries, which have been prepared under the historical cost convention stated in Note 1, are properly drawn up in accordance with the provisions of the Companies Act, 1961 of Victoria in the manner authorised for a banking company and on this basis so as to give a true and fair view of:
  - (i) the state of affairs of the Company and of the group as at 30th September, 1979, and of the profit of the Company and of the group for the year ended on that date so far as they concern members of the holding Company; and
  - (ii) the other matters required by Section 162 of that Act to be dealt with in the accounts and in the group accounts;
- (b) the accounting records and other records, and the registers required by that Act to be kept by the Company and by those subsidiaries of which we are the auditors have been properly kept in accordance with the provisions of that Act or in the case of such subsidiaries incorporated in another State or Territory of the Commonwealth and of which we are the auditors in accordance with the provisions of the corresponding law of that State or Territory.

The names of the subsidiaries of which we have not acted as auditors are set out on pages 30 to 31 and we have examined their accounts and the auditors' reports thereon.

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

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

Peat, Marwick, Mitchell & Co.  
Chartered Accountants

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

Melbourne  
30th November, 1979.



**Summary of the Audited Accounts\*** as at 30th September, 1979**Balance Sheet** as at 30th September, 1979

<b>LIABILITIES</b>	<b>1979</b>	<b>1978</b>	<b>ASSETS</b>	<b>1979</b>	<b>1978</b>
	<b>\$'000</b>	<b>\$'000</b>		<b>\$'000</b>	<b>\$'000</b>
Authorised capital: 14,000,000 ordinary shares of \$1 each	<b>14,000</b>	14,000	Cash	<b>211</b>	184
Issued capital: 7,500,000 ordinary shares of \$1 each, fully paid	<b>7,500</b>	7,500	Deposits with Reserve Bank	<b>91,500</b>	116,500
Reserve funds	<b>70,948</b>	59,973	Deposits with Australia and New Zealand Banking Group Limited	<b>9,156</b>	8,186
Balance profit and loss account	<b>8,361</b>	4,926	Loans to authorized dealers in Australian short term money market	<b>13,500</b>	14,000
	<b>86,809</b>	72,399	Australian public securities (a) Commonwealth of Australia		
Proposed special dividend	—	15,000	— Treasury notes	<b>65,340</b>	17,200
Deposits	<b>1,931,114</b>	1,771,899	— other	<b>168,598</b>	233,482
Provision for income tax	<b>14,556</b>	11,453	(b) Local & Semi Government Other public securities	<b>566,886</b>	567,708
Bills payable and other liabilities	<b>50,641</b>	47,230		<b>6,828</b>	6,167
			Balances due by other banks	<b>5,569</b>	6,602
			Loans less provision for doubtful debts	<b>1,126,846</b>	907,476
			Shares in subsidiary	<b>5,000</b>	5,000
			Other securities	<b>3,067</b>	4,080
			Amount due from subsidiary	—	10,000
			Other assets	<b>20,619</b>	21,396
	<b>2,083,120</b>	1,917,981		<b>2,083,120</b>	1,917,981

**Profit and Loss Account** for the year ended 30th September, 1979

Expenses of management, including interest paid and accrued on deposits	<b>136,379</b>	126,714	Discount and interest earned, commission and other items	<b>176,740</b>	161,043
Income tax expense	<b>18,276</b>	15,327			
Operating profit for year	<b>22,085</b>	19,002			
	<b>176,740</b>	161,043		<b>176,740</b>	161,043
Transfer to reserve fund	<b>11,000</b>	13,000	Balance brought forward	<b>4,926</b>	3,674
Dividend	<b>7,650</b>	4,750	Operating profit for year	<b>22,085</b>	19,002
Balance carried forward	<b>8,361</b>	4,926			
	<b>27,011</b>	22,676		<b>27,011</b>	22,676

\* Abridged format for information purposes only



**Summary of the Audited Accounts\*** as at 30th September, 1979**Balance Sheet** as at 30th September, 1979

<b>LIABILITIES</b>	<b>1979 NZ\$'000</b>	<b>1978 NZ\$'000</b>	<b>ASSETS</b>	<b>1979 NZ\$'000</b>	<b>1978 NZ\$'000</b>
Authorised capital: 250,000 ordinary shares of NZ\$2 each	<b>500</b>	500	Deposits with Australia and New Zealand Banking Group Limited	<b>14,897</b>	10,930
Issued capital: 250,000 ordinary shares of NZ\$2 each, fully paid	<b>500</b>	500	Investments		
Reserve funds	<b>7,100</b>	5,100	New Zealand Government securities	<b>88,442</b>	97,914
Balance of profit and loss account	<b>836</b>	668	Local Authority Securities	<b>9,087</b>	7,990
	<b>8,436</b>	6,268	Other securities	<b>18</b>	18
Deposits	<b>213,726</b>	180,836	Loans less provision for doubtful debts	<b>115,069</b>	74,399
Provision for income tax	<b>603</b>	552	Other assets	<b>1,288</b>	839
Other liabilities	<b>6,036</b>	4,434			
	<b>228,801</b>	192,090		<b>228,801</b>	192,090

**Profit and Loss Account** for the year ended 30th September, 1979

Expenses of management, including interest paid and accrued on deposits	<b>14,614</b>	10,842	Discount and interest earned, commission and other items	<b>18,582</b>	12,932
Income tax expense	<b>1,800</b>	955			
Operating profit for year	<b>2,168</b>	1,135			
	<b>18,582</b>	12,932		<b>18,582</b>	12,932
Transfer to reserve fund	<b>2,000</b>	1,000	Balance brought forward	<b>668</b>	533
Balance carried forward	<b>836</b>	668	Operating profit for year	<b>2,168</b>	1,135
	<b>2,836</b>	1,668		<b>2,836</b>	1,668

\* Abridged format for information purposes only



## Summary of the Consolidated Audited Accounts\* as at 30th September, 1979

### Balance Sheet as at 30th September, 1979

LIABILITIES	1979 \$'000	1978 \$'000	ASSETS	1979 \$'000	1978 \$'000
Authorised capital: 60,000,000 ordinary shares of \$1 each	60,000	60,000	Deposits with Australia and New Zealand Banking Group Limited	2,811	2,550
Issued capital: 57,500,000 ordinary shares of \$1 each, fully paid	57,500	57,500	Deposits at call and short term investments	32,706	60,265
Capital reserve	146	146	Receivables, less provisions and less income yet to mature \$331,627,000 (1978 \$299,698,000)	1,407,157	1,199,585
General reserve	82,000	65,000	Premises and equipment	12,991	13,447
Balance profit and loss account	12,762	10,950	Other assets	782	690
	<b>152,408</b>	133,596			
Debenture stock Maturing within one year \$214,772,000 (1978 \$170,583,000)	803,697	723,190			
Unsecured notes and deposits Maturing within one year \$340,949,000 (1978 \$232,509,000)	439,118	358,405			
Provision for income tax	14,516	16,844			
Other liabilities	46,708	44,502			
	<b>1,456,447</b>	1,276,537		<b>1,456,447</b>	1,276,537

### Profit and Loss Account for the year ended 30th September, 1979

Transfer to general reserve	17,000	15,000	Balance brought forward	10,950	9,383
Dividend	9,500	8,750	Profit for year	28,312	25,317
Balance carried forward	12,762	10,950			
	<b>39,262</b>	34,700		<b>39,262</b>	34,700

\* Abridged format for information purposes only



# Consolidated Statement of Source and Application of Funds

for the year ended 30th September, 1979

	1979 \$'000	1978 \$'000
<b>Source of Funds</b>		
Operating profit and extraordinary items	114,879	79,216
Increases in:		
Issued capital	—	11,266
Share premium reserve	—	19,262
Current, deposits and other accounts		
Deposits	617,224	
Bills payable, provisions and other liabilities	173,547	
Bank acceptances	289,600	
Provision for income tax	19,539	
Provision for long service leave	4,922	
Borrowings by borrowing corporation subsidiaries	187,690	164,029
Due to other banks	84,864	216,569
Decreases in:		
Money at short call overseas	6,244	
Loans to authorized dealers in Australian Short Term money market	85,330	
Deposits with Reserve Bank of Australia	—	95,023
Investments other than trade investments	32,004	
Trade investments less amounts written off	223	
Cheques in course of collection and balances with other banks	—	15,204
	<b>1,616,066</b>	<b>1,494,310</b>
<b>Application of Funds</b>		
Dividend paid	29,173	19,265
Increases in:		
Notes, coin and cash at bankers	269	15,765
Money at call and short notice		
Loans to authorised dealers in Australian short term money market	—	
Money at call overseas	—	
Treasury notes and treasury bills	—	37,717
Statutory reserve deposits with Reserve Bank of Australia	85,441	
Deposits with Central Banks overseas	11	
Investments other than trade investments	—	261,035
Loans and advances after provision for doubtful debts	519,443	399,646
Bills receivable and remittances in transit	155,501	97,803
Balances outstanding under hire purchase and other agreements	271,061	191,022
Premises and equipment	15,025	16,434
Bank acceptances and sundry accounts and other assets		
Bank acceptances	289,600	
Trade investments at cost less amounts written off	—	
Other assets	17,481	
Cheques in course of collection and balances due to other banks	233,061	337,617
	<b>1,616,066</b>	<b>1,494,310</b>



Australia and New Zealand Banking Group Limited and  
**Subsidiary Companies and Group Interests**

see Note 14 on page 23

	Incorporated in	Principal areas of operations	Issued Capital	Contribution to Group Results S'000	
				1979	1978
Australia and New Zealand Banking Group Limited	Australia	Australia/NZ/England/USA		50,705	27,661
<b>Subsidiaries</b>					
ANZ Custodians Limited	Australia	Australia	7 shares of \$1	—	—
ANZ Discounts Limited	Australia	Australia	5 shares of \$2	—	—
ANZ Finance (Far East) Limited	Australia	Hong Kong	10,000,000 shares of \$1	660	14
ANZ Finance (Jersey) Limited	Jersey		10 shares of £1	—	—
ANZ Holdings Limited	Australia	Australia/NZ	23,100,000 shares of \$1	66	94
ANZ Investments Limited	Australia	International	150 shares of \$1	321	151
ANZ Managed Investments Limited	Australia	Australia	209,010 shares of \$1	34	20
ANZ Managed Investments (N.S.W.) Limited	Australia	Australia	10,000 shares of \$1	2	3
ANZ Managed Investments (Qld) Limited	Australia	Australia	16 shares of \$1	1	3
ANZ Managed Investments (SA) Limited	Australia	Australia	12 shares of \$1	1	2
ANZ Managed Investments (WA) Limited	Australia	Australia	12 shares of \$1	—	1
ANZ Managed Investments (Tas.) Limited	Australia	Australia	16 shares of \$1	1	1
ANZ Managed Investments (A.C.T.) Limited	Australia	Australia	16 shares of \$1	—	—
ANZ Managed Investments (N.T.) Limited	Australia	Australia	10 shares of \$1	—	—
ANZ Nominees (Guernsey) Limited	Guernsey	Channel Islands	1,000 shares of £1	—	—
ANZ Nominees Limited	Australia	England/Aust/NZ	1,500 shares of \$1	—	—
ANZ Overseas Finance Limited	Great Britain	England/Aust/NZ	100 shares of £1	68	27
ANZ Pensions (UK) Limited	Great Britain	England/Aust/NZ	250,000 shares of £1	—	—
ANZ Pensions Pty. Limited	Australia	Australia/NZ	5 shares of \$2	—	—
ANZ Properties (Australia) Limited	Australia	Australia	5,000,000 shares of \$1	574	552
ANZ Properties (New Zealand) Limited	New Zealand	New Zealand	10,000 shares of NZ\$1	—	—
ANZ Savings Bank (New Zealand) Limited	New Zealand	New Zealand	250,000 shares of NZ\$2	1,931	1,041
ANZ Services Limited	Australia	Australia	5,000 shares of \$2	—	—
Australia and New Zealand Banking Group (Channel Islands) Limited	Guernsey	Channel Islands	500,000 shares of £1	290	239
Australia and New Zealand Banking Group (PNG) Limited	Papua New Guinea	Papua New Guinea	2,000,000 shares of K1	704	670
Australia and New Zealand Savings Bank Limited	Australia	Australia	7,500,000 shares of \$1	22,085	19,002
Endeavour Investments (New Zealand) Limited	New Zealand	New Zealand	4,000,000 shares of NZ\$1	36	109
Esanda Limited	Australia	Australia	57,500,000 shares of \$1	28,312	25,317
Esanda (Wholesale) Pty. Limited	Australia	Australia	50 shares of \$2	—	—
Esanda Nominees Limited	Great Britain	England	100 shares of £1	—	—
ES&A Holdings Limited	Australia	Australia	12,600,000 shares of \$1	8	12
ES&A Nominees (Australia) Proprietary Limited	Australia	Australia	50 shares of \$2	—	—
ES&A Properties (Australia) Limited	Australia	Australia	2,000,000 shares of \$1	8	4
ES&A Properties (UK) Limited	Great Britain	England	125,000 shares of £1	4	6
Leveraged Lease Packaging Pty. Ltd	Australia	Australia	4 shares of \$2	—	—
Melbourne Safe Deposit Pty. Limited	Australia	Australia	29,000 shares of \$1	3	3
UDC Group Holdings Limited†	New Zealand	New Zealand	10,800,000 shares of NZ\$1	1,302	1,011
Subsidiaries of UDC Group Holdings Limited					
UDC Finance Limited†	New Zealand	New Zealand	3,000,000 shares of NZ\$2		
UDC Mercantile Securities Limited†	New Zealand	New Zealand	500,000 shares of NZ\$2		
UDC Properties Limited†	New Zealand	New Zealand	65,000 shares of NZ\$1		
UDC Developments Limited†	New Zealand	New Zealand	20,000 shares of NZ\$1		
UDC Nominees Limited†	New Zealand	New Zealand	1,000 shares of NZ\$1		
United Dominions Corporation Limited†	New Zealand	New Zealand	29,000 shares of NZ\$0.50		
Mercantile Discounts Limited†	New Zealand	New Zealand	34,500 shares of NZ\$2		
Credit for Industry (NZ) Limited†	New Zealand	New Zealand	10,000 shares of NZ\$2		
Financial Services Limited†	New Zealand	New Zealand	240,000 shares of NZ\$2 paid to NZ\$1		
The Traders' Finance Corporation Limited†	New Zealand	New Zealand	10,000 shares of NZ\$2		
United Finance Corporation Limited†	New Zealand	New Zealand	150,000 shares of NZ\$2		
Mercantile Securities (Hong Kong) Limited	Hong Kong	Hong Kong	48,850 shares of NZ\$2		
			5,000 shares of HK\$2		
Quebracho Investments N.V.	The Netherlands Antilles	Curacas	6,000 shares of US\$1		
Rentacolor New Zealand Limited†	New Zealand	New Zealand	100,000 shares of NZ\$2		
				107,116	75,943

†The financial year of these companies ends on 31st March. The Commissioner for Corporate Affairs made an order dated 9th August 1979, pursuant to Section 161B of the Companies Act 1961, authorizing these companies to continue to have financial years which do not coincide with the financial year of Australia and New Zealand Banking Group Limited. A similar order was made by the Deputy Registrar of Companies Wellington, New Zealand, pursuant to subsection (1) of Section 157 of the Companies Act 1955.



Group Interest	Held by	Nature of business	Auditors
100%	ANZ Banking Group	Custodian and nominee services	Peat, Marwick, Mitchell & Co
100%	ANZ Investments	Negotiation of foreign currency loans for Australian customers	Peat, Marwick, Mitchell & Co
10.5%	ES&A Holdings	Finance activities	Peat, Marwick, Mitchell & Co
89.5%	ANZ Banking Group		
100%	ANZ Banking Group	Non-operative	Peat, Marwick, Mitchell & Co
100%	ANZ Banking Group	Property owning company	Peat, Marwick, Mitchell & Co
100%	ANZ Banking Group	Holding company for subsidiary and associated company shares	Peat, Marwick, Mitchell & Co
100%	Melbourne Safe Deposit	Unit trust managers	Coopers & Lybrand
100%	ANZ Managed Investments		Coopers & Lybrand
100%	ANZ Managed Investments		Coopers & Lybrand
100%	ANZ Managed Investments		Coopers & Lybrand
100%	ANZ Managed Investments		Coopers & Lybrand
100%	ANZ Managed Investments		Coopers & Lybrand
100%	ANZ Managed Investments		Coopers & Lybrand
100%	ANZ Banking Group	Nominee Services	Peat, Marwick, Mitchell & Co
100%	ANZ Banking Group	Nominee Services	Peat, Marwick, Mitchell & Co
100%	ANZ Banking Group	Provision of foreign currency loans	Peat, Marwick, Mitchell & Co
100%	ANZ Banking Group	Management of staff pension funds	Peat, Marwick, Mitchell & Co
100%	ANZ Banking Group		
100%	ANZ Savings Bank	Property owning company	Peat, Marwick, Mitchell & Co
100%	ANZ Banking Group	Property owning company	Gillilan Morris & Co
100%	ANZ Investments	Savings Bank	Hunt, Duthie & Co/Hutchison Hull & Co
100%	ANZ Banking Group	Non-operative	Peat, Marwick, Mitchell & Co
100%	ANZ Banking Group	Full range of banking services	Peat, Marwick, Mitchell & Co
85%	ANZ Banking Group	Full range of banking services	Peat, Marwick, Mitchell & Co
100%	ANZ Banking Group	Savings bank	Deloitte, Haskins and Sells/ Ernst & Whinney
20%	ANZ Investments	Majority shareholder of UDC Group Holdings Ltd, holding company for UDC Finance Limited and other subsidiaries and associated companies	Price Waterhouse & Co
80%	ANZ Banking Group		
100%	ANZ Banking Group	Hire purchase, lease, instalment and general finance facilities	Arthur Andersen & Co
100%	Esanda		
100%	ANZ Banking Group	Nominee services	Peat, Marwick, Mitchell & Co
100%	ANZ Banking Group	Property and investment owning company	Peat, Marwick, Mitchell & Co
100%	ANZ Banking Group	Nominee services	Peat, Marwick, Mitchell & Co
100%	ES&A Holdings	Property owning companies	Peat, Marwick, Mitchell & Co
100%	ANZ Banking Group		Peat, Marwick, Mitchell & Co
100%	ANZ Banking Group		Peat, Marwick, Mitchell & Co
100%	ANZ Banking Group	Co-ordination and arrangement of leveraged lease facilities	Peat, Marwick, Mitchell & Co
100%	ANZ Banking Group	Holding company for subsidiary and associated company shares	Peat, Marwick, Mitchell & Co
64.04%	Endeavour Investments (NZ)	Holding company for subsidiary and associated company shares	Price Waterhouse & Co
64.04%	UDC Group Holdings	General finance facilities	Price Waterhouse & Co
64.04%	UDC Group Holdings	Merchant bank	Price Waterhouse & Co
64.04%	UDC Group Holdings	Property owning company	Price Waterhouse & Co
64.04%	UDC Group Holdings	Property development and management	Price Waterhouse & Co
64.04%	UDC Group Holdings	Nominee services	Price Waterhouse & Co
64.04%	UDC Group Holdings	Holding company for associated company shares	Price Waterhouse & Co
64.04%	UDC Group Holdings	Non-operative	Price Waterhouse & Co
64.04%	UDC Group Holdings	Non-operative	Price Waterhouse & Co
64.04%	UDC Group Holdings	Non-operative	Price Waterhouse & Co
64.04%	UDC Group Holdings	Non-operative	Price Waterhouse & Co
64.04%	UDC Group Holdings	Finance Activities	Price Waterhouse & Co
64.04%	UDC Mercantile (Securities)		
64.04%	Mercantile Securities (Hong Kong)	Finance Activities	Price Waterhouse & Co
38.42%	UDC Group Holdings	Rental of colour television sets	Price Waterhouse & Co



Australia and New Zealand Banking Group Limited and  
**Subsidiary Companies and Group Interests** continued

see Note 14 on page 23

**Associated Companies\***

	Incorporated in	Principal areas of operations	Issued Capital
Australian Banks' Export Re-Finance Corporation Limited	Australia	Australia	2,000,000 shares of SA1 Loan Capital \$781,000 Reserves \$1,000,000
Australian International Finance Corporation Limited	Australia	Pacific Area	6,250,000 shares of SA1 Reserves \$5,437,000
Melanesia International Trust Company Limited	New Hebrides	International	931,469 shares of £E0.50p Reserves \$871,081
Allied Communications Limited	New Zealand	New Zealand	10,000 shares of NZ\$2
Databank Systems Limited	New Zealand	New Zealand	200,000 shares of NZ\$1 Loan Capital NZ\$17,703,500 Reserves NZ\$3,456,657
Fifty Seven Willis Street Limited	New Zealand	New Zealand	6,542,000 shares of NZ\$1
New Zealand Bankcard Associates Limited	New Zealand	New Zealand	30,000 shares of NZ\$1

**INTERESTS UNDER 20%**

Australian Innovation Corporation Limited	Australia	Australia	712,000 shares of SA1
Australian Resources Development Bank Limited	Australia	Australia	7,000 shares of SA1,000
Primary Industry Bank of Australia Limited	Australia	Australia	5,625,000 shares of SA1
ANG Holdings Limited	Papua New Guinea	Papua New Guinea	1,766,900 ordinary shares of K1 497,996 cumulative participating preference shares of K1
Australia New Guinea Corporation Limited	Papua New Guinea	Papua New Guinea	654,500 shares of K1
Private Investment Co. for Asia S.A.	Panama	Asia	5,960 shares of US\$5,000
South East Asia Development Corporation Berhad	Malaysia	South East Asia	3,500,000 shares of MS1
Allied Mortgage Guarantee Co. Limited	New Zealand	New Zealand	500,000 shares of NZ\$1 fully paid 1,500,000 shares of NZ\$1 uncalled
Irvin and Stern Limited	New Zealand	New Zealand	220,867 shares of NZ\$1
Lambton Investments Company Limited	New Zealand	New Zealand	204,292 shares of NZ\$1
James Plastics Limited	New Zealand	New Zealand	120,000 shares of NZ\$1
Inverleith Holdings Limited	New Zealand	New Zealand	100,000 shares of NZ\$1
Charge Card Services Limited	Australia	Australia	80,000 shares of NZ\$1
Society for Worldwide Interbank Financial Telecommunication	Belgium	International	20,932 shares of BF.5000

\*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.



Group Interest	Held by	Nature of business
21.78%	ANZ Banking Group	Provides finance for Australian capital goods exports
25.0%	ANZ Banking Group	Short and medium term lending and related financial services
47.3%	ANZ Investments	Trustee, corporate and financial services
32.0%	UDC Group Holdings	Hiring of radio telephones
20%	ANZ Banking Group	Nationwide computer network jointly owned
20%	ANZ Investments	by the trading banks
15.36%	ANZ Banking Group	Property owning company
30.33%	ANZ Banking Group	Service Company for administration of charge card services
3.51%	ANZ Banking Group	Finances Australian innovations and inventions
14.29%	ANZ Banking Group	Financing development of Australia's natural resources
11.1%	ANZ Banking Group	Finance long-term loans to primary producers
0.59%	ANZ Investments	Development of resources in PNG
4.58%	ANZ Investments Melbourne Safe Deposit	} Holding Company of ANG Holdings Ltd.
0.67%	ANZ Banking Group	
0.86%	ANZ Investments	Capital investments in developing countries of Asia
15.9%	UDC Group Holdings	Investments and banking facilities in S.E. Asia
15.9%	United Dominions Corporation	Guarantee of repayment of property mortgages
15.9%	United Dominions Corporation	Retailer of carpet, furniture and white goods
15.9%	UDC Group Holdings	Finances consumer goods
12.8%	UDC Group Holdings	Manufacturers of plastic film and pipe
12.5%	ANZ Banking Group	Property Developers
0.05%	ANZ Banking Group	Service company for administration and provision of bank charge cards
		Management of International Inter-bank Telecommunications system







## Principal Establishments at as November, 1979

### Victoria

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

### New South Wales

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

### Australian Capital Territory

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

### Queensland

Administrative Offices:  
\*324 Queen Street, Brisbane  
State Manager: R. W. J. Horne  
Principal Banking Office in Brisbane and Central Business  
District Area Branch:  
Queen and Creek Streets  
Manager: B. O'Callaghan

### South Australia

Administrative Offices:  
\*75 King William Street, Adelaide  
State Manager: H. V. Newcombe  
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 and Central Area Branch:  
84 St. George's Terrace  
Manager: M. A. Gauntlett

### Tasmania

Administrative Offices:  
\*86 Collins Street, Hobart  
State Manager, N. R. Frost  
Principal Banking Office in Hobart and Hobart and Southern  
Tasmania Area Branch:  
103 Macquarie Street  
Manager: D. F. Robinson

### Northern Territory

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

### New Zealand

Administrative Offices:  
\*3rd Floor, Dominion Building,  
27-35 Mercer Street, Wellington  
New Zealand General Manager: B. B. Dickinson  
Chief Manager Branch Banking: E. C. J. Johnson  
Chief Manager Corporate Banking: D. D. Hooker  
Chief Manager Personnel & Services: R. M. Campbell

### United Kingdom

Administrative Offices:  
\*71 Cornhill, London, EC3V 3PR  
General Manager — Europe: R. C. Wheeler-Bennett  
Chief Manager (International): T. G. Williams  
Chief Manager (Corporate Banking): J. R. Lovesey  
Channel Islands  
Australia and New Zealand Banking Group  
(Channel Islands) Limited  
St. Peter Port, Guernsey  
Manager: E. R. Holt

### North America

Agencies:  
New York — 63 Wall Street  
Chief Agent: C. R. Pleydell  
Los Angeles — Suite 4350, 707 Wilshire Boulevard  
Agent and Manager: D. R. Murray

### Papua New Guinea

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

### Pacific Islands

Main Banking Offices:  
Suva Branch — Fiji  
69 Victoria Parade  
Chief Manager: J. T. Martin  
Solomon Islands — Honiara, Mendana Avenue  
Manager: D. K. Lickley  
New Hebrides — Vila, Rue Higginson  
Manager: K. H. Keen

### Hong Kong

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

### Japan

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

### Singapore

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

\* Offices at which Share Registries maintained.



## Group Services

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### Personal

Cheque accounts  
High interest deposit accounts  
Passbook savings accounts  
Trust accounts  
Christmas Club  
Home Savers Club  
Personal loans/overdrafts  
Loans for housing  
Loans for semi-government instrumentalities,  
municipal bodies and schools  
Bankcard  
Insurance services  
Safe custody, night safe and safe deposit facilities  
Periodical payments  
Travellers' cheques  
Provision of foreign currency, money transfers  
Deduction-from-wages savings schemes  
Savings bank agents in local retail centres  
Comprehensive travel service  
Migrant advisory centres

### 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  
CEMTEX direct entry system

### Corporate Banking

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

### Investment

Nominee services  
Registrar 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  
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

### General Finance

#### Esanda (in Australia)

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

#### UDC (in New Zealand)

Instalment finance  
Leasing and discount facilities  
Loans for working capital  
Bridging finance  
Import and export finance  
Merchant bank facilities  
Property development and management  
Colour television rental













Australia and New Zealand Banking Group Limited  
Administrative Headquarters  
Collins Place 55 Collins Street Melbourne 3000  
PO Box 537E Melbourne Vic 3001 Telephone 658 2955

3rd December 1979

Dear Sir or Madam,

re Employee Share Purchase Scheme

Since the late 1960s there has been a growing trend, particularly overseas, towards the introduction of profit incentive and share purchase schemes for employees.

In a number of instances this has been supported by facilitating legislation, and major banks in the United States, United Kingdom and Europe have successfully introduced profit incentive, and/or share purchase schemes. In recent years similar schemes have been established in Australia.

The question of employee participation in the profit and capital of Australia and New Zealand Banking Group Limited has been the subject of periodic representations from employees in the major centres where the bank operates. However, prior to the transfer of residence by the bank to Australia problems of taxation and currency fluctuations militated against implementation of such arrangements.

However, circumstances now permit the introduction of participation by employees in the profit and capital of the bank, and your Directors consider action to this end to be desirable.

In this respect, steps were taken during the past year to permit participation by staff of the bank in all centres of operation in a profit participation scheme which is subject to a maximum distribution limited to 6% of consolidated operating profit after tax. The maximum net charge to published profits would be of the order of some 3.5% at current tax rates. Offsetting this would be the expectation of improved employee performance and productivity. The scheme provides suitable incentive to the bank's staff since no benefit is received under it unless high minimum levels of productivity and financial performance, are achieved. For the year 1978/79 employees will receive an initial payment under the scheme.

Your Directors also consider that introduction of a scheme to permit limited participation by employees in the share capital of the bank would heighten the degree of identification and involvement by employees with the whole of the bank's activities and in its successful future.

More specifically it is intended that the Employee Share Purchase scheme should fulfil the following objectives—

- identification of staff with the financial performance of the bank resulting in greater personal contribution towards achievement of Australia and New Zealand Banking Group Limited goals
- broaden the base of employee ownership and contribute to the fostering of harmonious industrial relations
- achievement of unity of purpose between shareholders and employees in the furtherance of the progress of the bank as a whole
- enable employees to participate in the capital growth of Australia and New Zealand Banking Group Limited

The main features of the scheme are summarised in the attachment to this letter. In particular it will be noted that the total number of shares which could be issued under the scheme is limited to 5% of the share capital of the bank from time to time on issue.

Implementation of the employee share purchase scheme is subject to the approval of shareholders. A Resolution giving the necessary approval is set out in the Notice of the Annual General Meeting to be held on 21st January 1980.

Your Board consider the proposed scheme to be in the best interests of the bank and recommends you to vote in favour of the Resolution.

Yours faithfully,

Sir Ian McLennan,  
Chairman



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## **Australia and New Zealand Banking Group Limited Employee Share Purchase Scheme**

Summary of the principal terms –

### **(1) Eligibility**

All full time employees aged 18 years or more with a minimum of five years completed continuous full time service with the Bank and certain of its subsidiaries will be eligible to participate in the Scheme. Executive Directors of the Bank who meet these requirements will also be eligible to participate. The Scheme will also apply to overseas employees of the Bank and certain of its subsidiaries.

### **(2) Entitlement**

Eligible employees will be entitled initially to at least two hundred shares. Further shares will be available after certain periods of service and on attaining specified levels of seniority. The maximum number of shares to which an employee or executive director will be entitled under the Scheme is 5,000 shares. The Bank wishes to encourage employees to hold shares issued to them under the Scheme as a long term investment. Consequently, the right to take up further shares under the Scheme will be dependent upon employees having retained shares previously issued to them under the Scheme for a period of at least five years from the date of issue.

### **(3) Issue Price**

Shares will be issued under the Scheme at a discount of 20% on the last sale price on the Melbourne Stock Exchange or The Stock Exchange in London for UK staff, on the 28th February and 31st August (or the first trading day thereafter) in each year.

### **(4) Limitation on Number of Shares Issued**

The total par value of shares held by eligible employees which have been issued under the Scheme and of any bonus shares issued in respect of such shares will not at any time exceed 5% of the issued capital of the Bank. On the basis of the present issued capital of the Bank this will limit the number to 6,337,330 shares.

### **(5) Loan Assistance**

Financial assistance in the form of a bank advance repayable over five years will be available to employees to finance the acquisition of the shares.

### **(6) Marketability of Shares**

Shares issued under the Scheme will rank equally with the existing ordinary shares of the Bank in all respects including participation in dividends and in future rights and bonus issues and application will be made for listing on all Stock Exchanges upon which the Bank's shares are quoted.

### **(7) Administration**

On or shortly after the 28th February and 31st August in each year eligible employees will be invited to apply to take up their entitlement under the Scheme. Because of Companies Act requirements, shares will be issued to a trustee for initial holding by him as bare trustee for the employees involved. Shortly thereafter the trustee will transfer to each employee the shares to which he is entitled.

### **(8) Alteration of Scheme**

The terms of the Scheme will not be altered to the material advantage of employees without the prior approval of the shareholders of the Bank.

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**AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED****FORM OF PROXY**

I/WE .....  
 (Full name in block letters)  
 of ..... being (a) member(s) of  
 (Full address)  
 Australia and New Zealand Banking Group Limited, and holding ..... ordinary  
 shares, hereby appoint ..... or failing him/her  
 the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company  
 to be held on Monday, 21st January, 1980, and at any adjournment thereof.

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

No.	Item	For	Against
1.	To adopt the Report of the Directors, and the Accounts		
2.	To declare a final dividend		
3.	To re-elect Sir Ian McLennan, K.C.M.G., K.B.E. as a director		
4.	To re-elect Mr C. J. Harper as a director		
5.	To re-elect Sir John Holland as a director		
6.	To re-elect Mr G. M. Niall as a director		
7.	To re-elect Mr L. M. Papps as a director		
8.	To re-elect Mr. D. C. L. Gibbs as a director		
9.	To approve the establishment of an Employee Share Purchase Scheme in terms of Item 5, under Special Business, in the Notice of Meeting.		
10.	To approve the alteration to the Articles of Association of the Company (Article 79) in terms of Item 6(i), under Special Business, in the Notice of Meeting.		
11.	To approve the alteration to the Articles of Association of the Company (Article 84) in terms of Item 6(ii), under Special Business, in the Notice of Meeting.		

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

Signature of Member .....  
 (Refer Notes (f), (g) and (h))

**Notes:**

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