
Australia and New Zealand Banking Group Limited

Annual Report 1980



The Company

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

Since then a series of mergers, plus natural growth, have made ANZ one of the biggest companies in Australia and among the top 100 banks in the world. At 30th September, 1980 group assets totalled \$15.4 billion.

Australia and New Zealand Banking Group Ltd was incorporated in October, 1969 to facilitate the merger of the ANZ and ES&A Banks, which became effective in October, 1970. ANZ Bank had itself resulted from the merger in 1951 between the Bank of Australasia and the Union Bank of Australia, formed in 1837. The Bank of Adelaide and its wholly-owned subsidiary, Finance Corporation of Australia (FCA) were acquired in November, 1979.

ANZ was traditionally based in London, but in 1976 took the historic step of transferring its domicile to Melbourne. At the time of the transfer only about 3 per cent of the company's shares were registered in Australia, although the majority of ANZ business was conducted there. Today, about 69% of the shares are registered in Australia, with 30% in the United Kingdom and 1% in New Zealand.

The Bank's affairs are substantially managed by Australians. The board of directors comprises 10 Australians, one New Zealander and one resident of the United Kingdom. World-wide staff total 22,869 and of these 18,895 are in Australia.

The group is proud of the contribution it has made to the economic development of Australia and New Zealand over nearly 150 years. Today, there are nearly 1,400 ANZ points of representation throughout the two countries. In 1979 a locally-incorporated subsidiary was established in New Zealand, in which the public there took up a 25% interest.

There are substantial banking operations in the United Kingdom, New York, Los Angeles, Hong Kong, Singapore, Papua New Guinea and the Pacific Islands, plus a representative office in Tokyo.

ANZ provides general finance facilities through Esanda and FCA in Australia, and UDC in New Zealand. Other financial services include travel, general insurance, investment, nominee and Bankcard, as well as merchant banking facilities which are provided through the partly-owned affiliate, Melbourne-based AIFC. The bank has links with correspondent banks throughout the world.

Financial Calendar

Results

First half:	Announced 19th May, 1980
Full year:	Announced 17th November, 1980
Annual Report:	Circulated 18th December, 1980
Annual General Meeting:	To be held in Melbourne on 19th January, 1981

Dividends

Interim:	Announced 19th May, 1980 Paid 4th July, 1980
Recommended final:	Announced 17th November, 1980 To be paid 23rd February, 1981

A summary of the Chairman's address to the Annual General Meeting will be published in the Australian Financial Review and The Australian on 20th January, 1981. Copies of the address will be available from:

Public Relations Department — 55 Collins St, Melbourne.
Marketing Department — 71 Cornhill, London.
Branch Banking Services Department ANZ Banking Group (New Zealand) Ltd — 27-35 Mercer St, Wellington, New Zealand.

A copy of the Bank's 1980 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: (03) 658 2955

Secretary: L. C. Graham

Controller: D. T. Craig

Solicitors: Blake & Riggall

Auditors: Peat, Marwick, Mitchell & Co.

The Company's Objectives

The basic objective of Australia and New Zealand Banking Group Limited (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.

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Cover: Reflections of Collins Street, Melbourne in the logo at the entrance to ANZ Tower.

Highlights of the year

- Acquisition of The Bank of Adelaide Group, including the wholly-owned subsidiary, Finance Corporation of Australia Limited.
- Establishment of a locally-incorporated New Zealand subsidiary, ANZ Banking Group (New Zealand) Limited and transfer of the existing New Zealand business to that company.
- Placement of 6,674,500 shares in ANZ Banking Group (New Zealand) Limited with New Zealand public.
- Acquisition by ANZ Banking Group (New Zealand) Limited, of the remaining public shareholding in UDC Group Holdings Limited to lift ANZ ownership to 100 per cent.
- Announcement of a proposed one-for-four bonus issue to be made by capitalising part of the share premium reserve.
- Increase in dividend payments by 28 per cent to \$37.35 million, which will be received by 36,000 shareholders, 11,000 more than in 1979.
- Provision made for a \$8.37 million distribution under the staff profit-sharing scheme, compared with \$4.91 million in 1979.
- Opening of a branch in Singapore and conversion of the agency in New York to a Federal branch, the first by an Australian bank.
- Completion of a new \$2.6 million residential staff training centre in Melbourne.
- Retirement of managing director Mr Mac Brunckhorst, on 31st October, 1980 after 45½ years' service, and appointment of Mr John D. Milne as his successor.

Statistical Summary

	1980	1979	% Change
FOR THE YEAR (\$'000)			
Group operating profit after tax	135,991	107,116	+27.0
Including			
— Australian Trading Bank (excluding dividends)	56,895	44,692*	+27.3
— Australian Savings Bank	23,978	22,085	+ 8.6
— New Zealand Group (excluding minority interests)	10,842	—	
— Esanda	30,737	28,312	+ 8.6
— Finance Corporation of Australia	7,612	—	
Group operating profit and extraordinary items	149,061	114,879	+29.8
Dividends paid	37,355	29,173	+28.0
Number of times dividend covered by profits	3.64	3.67	
Return on shareholders' funds	17.3%	17.0%	
PER SHARE			
Dividends paid	24.0¢	22.0¢	
Earnings on average capital (1979 adjusted for bonus issue)	98.6¢	84.5¢	
Earnings on capital at end of year	98.2¢	84.5¢	
Net assets	\$5.67	\$4.98	
AT YEAR END (\$ millions)			
Issued capital	138,463	126,747	+ 9.2
Shareholders' funds	784,997	631,609	+24.3
Total external liabilities (deposits, debentures, etc.)	13,662,693	11,125,106	+22.8
Ratio of external liabilities to shareholders' funds	17.4:1	17.6:1	
Total assets	15,390,014	12,749,138	+20.7
THE ORGANISATION			
Number of shareholders	36,052	24,743	
Number of employees	22,869	20,686	
Points of representation	1,402	1,266	

(*Excludes the profits of the New Zealand operations, which were transferred to ANZ Banking Group (New Zealand) Limited on 1st October, 1979)

Notice of Meeting

Notice is hereby given that the twelfth Annual General Meeting of Australia and New Zealand Banking Group Limited will be held at the 46th Floor, 55 Collins Street, Melbourne, on Monday, 19th January, 1981, 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, 1980 and the reports of the directors and auditors thereon.
2. To declare a final dividend for the year ended 30th September, 1980 as recommended by the directors and payable to members entered on the register at the close of business on 27th January, 1981.
3. To elect directors:
Mr W. J. Holcroft, The Right Hon. Lord Remnant and Sir William Vines retire by rotation in accordance with the Company's Articles of Association. Mr W. J. Holcroft and Sir William Vines, being eligible, offer themselves for re-election. Lord Remnant, although eligible, does not seek re-election. Mr E. H. Burgess, Mr J. D. Milne and Mr L. M. Muir were appointed directors since the last Annual General Meeting pursuant to Article 91 of the Company's Articles of Association and, accordingly, hold office only until this Annual General Meeting. Being eligible, they offer themselves for re-election.
4. To transact any other business which may be brought forward in conformity with the Articles of Association.

Special Business

5. To consider and, if thought fit, to pass the following ordinary resolutions:—
 - (i) THAT it is desirable to capitalise the sum of \$34,615,651 (being part of the amount standing to the credit of the Company's Share Premium Reserve) and accordingly the Directors be and they are hereby authorised and directed to appropriate the said sum of \$34,615,651 to the persons who at the close of business on the 27th January, 1981 are registered as the holders of shares in the capital of the company in proportion to the number of shares then held by them respectively (being in proportion of one new share for every four shares then held) and to apply such sum of \$34,615,651 on behalf of the said shareholders in paying up in full 34,615,651 unissued shares of \$1 each in the capital of the Company, such shares to rank *pari passu* in all respects with the present issued shares (including the right to rank for the final dividend for the year ended 30th September, 1980) in the capital of the Company and to be allotted and distributed credited as fully paid up to the said shareholders in the proportion aforesaid.
 - (ii) THAT the capital of the Company be increased from \$200,000,000, divided into 200,000,000 shares of \$1 each, to \$250,000,000, divided into 250,000,000 shares of \$1 each.
 - (iii) THAT pursuant to Article 76 of the Company's Articles of Association, the Company determines that the ordinary remuneration of Directors shall henceforth be such sum, not exceeding in the aggregate \$200,000 per annum, as the Directors may determine.

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

4th December, 1980.

Information for Shareholders

Share Register

The transfer books of the Company will be closed at 5 p.m. on 27th January, 1981, to determine members' entitlements to the dividend and the capitalisation issue.

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 7th January, 1981, and, for the nomination to be effective, it must be lodged with the Secretary at the Registered Office of the Company in Melbourne by that date.

Special Business

Item (i)

Capitalisation Issue of Shares

The Directors announced on 17th November, 1980 that they consider the issued and paid up capital of the Company should now be increased by capitalising part of the Share Premium Reserve. At the Annual General Meeting a Resolution will be considered authorising the capitalisation of \$34,615,651 and the distribution of 34,615,651 new shares, credited as fully paid up, among the holders of shares in the capital of the Company registered as at the close of business on 27th January, 1981 in the proportion of one new share for every four shares then held. Fractional entitlements will be aggregated and the total shares resulting will be sold and the net proceeds of sale distributed among the shareholders entitled thereto in due proportion. However, individual amounts of less than \$1.00 will be retained for the benefit of the Company.

The new shares will rank equally in all respects with the present issued shares of the Company, including the right to participate fully in the final dividend of 12 cents per share which the Directors recommended for payment on 23rd February, 1981.

The Directors expect, in the absence of unforeseen circumstances, to pay dividends at an annual rate of not less than 24 cents per share on the increased capital of the Company. The consolidated profit result of the Company for the year to 30th September, 1980 was announced on 17th November, 1980 and details are shown in the accounts of the Company.

If the resolution is duly passed at the Annual General Meeting, transfer books will close at 5.00 p.m. on 27th January, 1981 for the purpose of determining entitlements to the issue. Fully paid definitive share certificates will be despatched to shareholders as soon as practicable after that date and it is anticipated that this will be completed by 23rd February, 1981. The new shares arising from the issue will be entered on the Register(s) on which shareholders' existing shares are registered.

Application will be made for the listing and quotation of the new shares from 20th January, 1981 on all Member Exchanges of the Australian Associated Stock Exchanges, the Stock Exchange in London and the Stock Exchange Association of New Zealand; all dealings on and from that date until the definitive share certificates are issued being for deferred settlement on or after 24th February, 1981.

Item (ii)

Increase in Authorised Share Capital

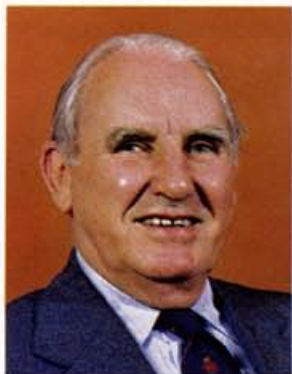
The Directors consider that on completion of the capitalisation issue it would be desirable to have a wider margin of unissued capital available, for issue in the future. It is therefore proposed to increase the authorised capital of the Company to \$250,000,000, by the creation of 50,000,000 additional shares of \$1 each, which will leave 76,921,745 shares unissued after the capitalisation issue has been effected. The Directors have no present intention of issuing any such shares and will not, without the approval of a general meeting, do so in circumstances which would alter the control of the Company.

Item (iii)

Ordinary Remuneration of Directors

In accordance with Australian Associated Stock Exchanges Official Listing Requirements, it is advised that this item of business provides for an increase of \$50,000 per annum in the maximum aggregate ordinary remuneration which may be paid to directors.

Directors



Sir Ian McLennan, K.C.M.G., K.B.E.
CHAIRMAN

Sir Ian is a past chairman and chief executive of BHP. He is 71 and lives in Melbourne. Among his many interests 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 Henry Jones (IXL) Ltd. Group and a councillor of the Royal Agricultural Society of Victoria.

E. H. Burgess

Mr Burgess, 64, is a chartered accountant and lives in Adelaide. He was appointed a director in February, 1980 and was a director of The Bank of Adelaide from 1974 until September, 1980. He is chairman of Bennett & Fisher Ltd. Group, Bradford Insulation Holdings (SA) Ltd. Group and G. & R. Wills (Holdings) Ltd. and a director of Advertiser Newspapers Ltd., Bennetts Farmers Ltd. and Executor Trustee & Agency Co. of South Australia Ltd. Group.

D. C. L. Gibbs

Mr. Gibbs is a Melbourne resident and executive chairman of the building materials group, Gibbs Bright and Co. Pty. Ltd. Aged 53, he is also chairman of Baillieu Bowring Pty. Ltd. and Gibbs Bright Mercantile Insurance Co. Ltd. and a director of other Australian companies and of the London merchant bank, Antony Gibbs Holdings Ltd.

C. J. Harper

Mr. Harper, 49, 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., IBM Australia Ltd. and Vickers Australia Ltd. He lives in Melbourne.

W. J. Holcroft

Mr. Holcroft recently retired as managing director of Brambles Industries Ltd. His directorships include Australian Wool Corporation, Consolidated Gold Fields Australia Limited, Energy Resources of Australia Ltd., Royal Prince Alfred Hospital and Development Corporation of New South Wales. His background is in finance and accountancy. He is 58 and lives in Sydney.

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., the Winston Churchill Memorial Trust and the Child Accident Prevention Foundation. He is chairman of both the Citizens' Council for the 150th Anniversary Celebrations of Victoria and the Victorian Council of the Bicentennial Authority. He is 66 and lives in Melbourne.

L. M. Muir

Mr Muir was appointed to the board in August, 1980, soon after retiring as senior partner of the stockbroking firm, Potter Partners. His other directorships include Australian Consolidated Industries Ltd., Commercial Union Assurance Co. of Australia Ltd., Wormald International Ltd. and Melbourne FM Broadcasting Ltd. He serves on several Government bodies and is also involved with a number of charitable and community organisations. He is 55 and lives in Melbourne.



J. D. Milne
MANAGING DIRECTOR

Mr Milne, 58, has had 40 years' experience in banking. He was appointed a director in April, 1980 and managing director from November 1, 1980. He is on the boards of the bank's main subsidiaries and is chairman of Australian International Finance Corporation Ltd. Mr Milne is a member of the Australian Manufacturing Council and the executive of the Australia-Korea Business Co-operation Committee.

G. M. Niall

Mr Niall, 64, is a solicitor and a partner in the Melbourne legal firm of Blake & Riggall. He is 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. He lives in Melbourne.

L. M. Papps

Mr Papps, 61, lives in New Zealand and is a solicitor and senior partner in the Wellington legal firm of Bell Gully and Co. He is chairman of the subsidiary company, ANZ Banking Group (New Zealand) Ltd. He is also a director of several other New Zealand companies, including U.E.B. Industries Ltd., Dalgety New Zealand Ltd., New Zealand Motor Corporation Ltd., Odlins Ltd., New Zealand United Corporation Ltd. and Commercial Union Assurance Co. of New Zealand Ltd.

Lord Remnant

Lord Remnant, 50, has been a director of the Bank since 1969 and joined the board of the former ES&A Bank in 1965. A chartered accountant, he lives in the United Kingdom 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. DEPUTY CHAIRMAN

Sir William is chairman of Associated Pulp and Paper Mills Ltd. His other directorships include Dalgety Australia Ltd., Tubemakers of Australia Ltd., Conzinc Riotinto of Australia Ltd. and The Sir Robert Menzies Memorial Trust. He is 64, is based in Sydney and farms in Queensland.

Directors' Report

Introduction

The directors have pleasure in presenting the Bank's Annual Report and the audited accounts for the year to 30th September, 1980.

In the year under review, the Bank achieved another commendable profit increase (see details below). This was despite difficult economic conditions in Australia and New Zealand, where we conduct most of our business, and the adverse impact of official restrictions on the activities of banks in Australia. The results for the year compare favourably with those of our banking competitors.

Less pleasing to report is the retirement of three valued members of our Board during 1980 and the impending retirement of a fourth.

The Hon. E. L. Baillieu and Mr. M. W. Jacomb retired from the Board on 30th June, and the Rt. Hon. Lord Remnant has announced that he will not seek re-election as a director at the Annual General Meeting on 19th January, 1981. All three directors have given the Bank outstanding service, for which we thank them.

Mr. M. Brunckhorst retired as the Bank's managing director on 31st October, 1980. Further reference to Mr. Brunckhorst is made later in this report. He has been succeeded as managing director by Mr. J. D. Milne, previously General Manager — Corporate Banking. The Bank is fortunate to have a man of Mr. Milne's calibre to take over as chief executive.

Mr. Milne was appointed a director in April, 1980. Other directors appointed during the year were Mr. E. H. Burgess and Mr. L. M. Muir, and to both we extend a warm welcome. In November, 1980 Sir William Vines was appointed deputy chairman of the Bank.

The expansion and up-grading of our international representation has continued. Our Singapore representative office was converted to a branch in January, 1980 and our New York agency was converted to a branch in July, 1980 — the first by an Australian bank.

To capitalise on progress achieved by the Bank in recent years, the senior management has prepared a comprehensive strategy plan. The plan provides a framework for co-ordinating existing activities and proposed new initiatives which we believe will maintain ANZ's successful growth throughout the 1980's.

The Year's Results

The consolidated operating profit for the year, before extraordinary items and after minority interests, was \$135,991,000, an increase of 27.0 per cent on the 1979 profit of \$107,116,000.

The consolidated profit after extraordinary items totalling \$13,070,000 (1979 \$7,763,000) was \$149,061,000, compared with \$114,879,000 in 1979.

The improvement in profits in 1979-80 was principally due to:

- a general increase in business volumes
- the initial profit contribution from The Bank of Adelaide group of companies, in particular Finance Corporation of Australia Limited
- higher earnings from operations in the United States of America and Hong Kong
- an increased profit contribution from the New Zealand operations, notwithstanding the exclusion of 25 per cent of profits, following the acquisition during the year of a 25 per cent shareholding in ANZ Banking Group (New Zealand) Limited by the New Zealand public

- higher commission earnings and containment of costs in Australia.

Profit of the parent trading bank, after eliminating subsidiary company dividends, rose 27.3 per cent from \$44,692,000 (excluding the 1979 New Zealand profits) to \$56,895,000.

The Australian savings bank profit was \$23,978,000, an increase of 8.6 per cent on the 1979 result of \$22,085,000. This moderate increase reflects the significant slow down in the rate of growth of savings bank deposits during the year.

Esanda recorded an 8.6 per cent increase in profit, from \$28,312,000 to \$30,737,000 and there was an initial profit contribution of \$8,628,000 from The Bank of Adelaide group.

ANZ Banking Group (New Zealand) Limited achieved a most satisfactory result in its first year of operation as a separate subsidiary company, earning a consolidated operating profit of NZ\$16,845,000. The main contributions came from the trading bank (NZ\$11,807,000) the savings bank (NZ\$2,347,000) and UDC Group Holdings Limited (NZ\$2,631,000).

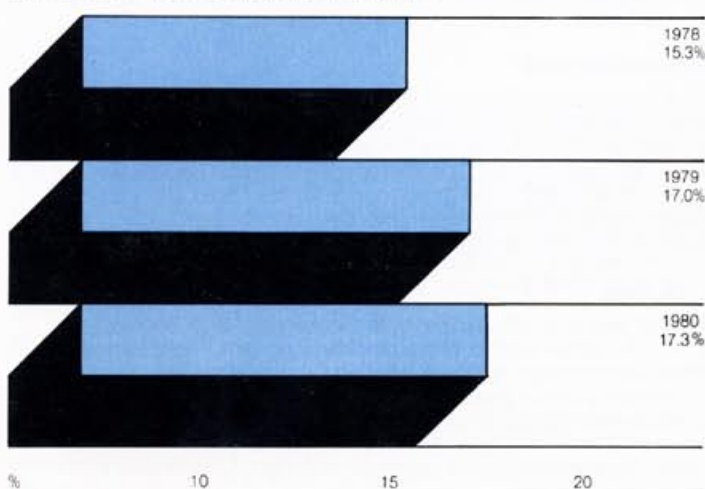
The group consolidated profit is after providing for distribution of \$8,372,000 to staff under the staff profit sharing scheme introduced in 1979. The comparable amount allowed for in 1979 was \$4,912,000.

During the year staff also took up a total of 975,800 shares in the Bank, under the terms of a share purchase scheme approved by shareholders at the annual general meeting on 21st January, 1980. In New Zealand the staff took up 320,000 shares in our New Zealand subsidiary under a separate scheme.

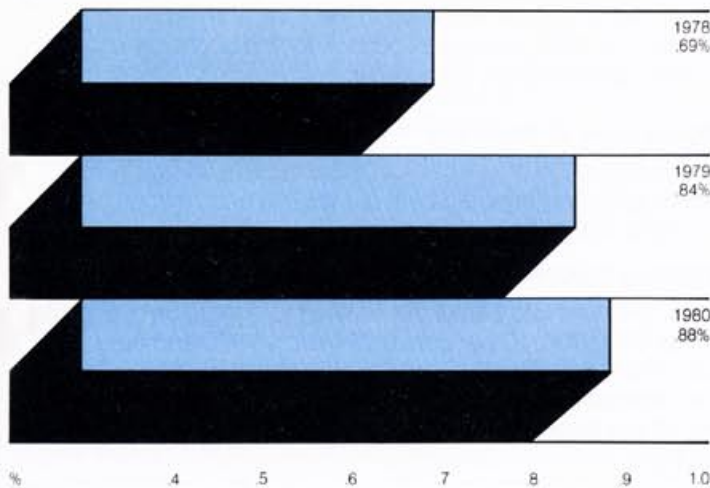
For the first time this year, the Bank's accounts disclose details of the provisions maintained for doubtful debts, including the amounts written off and recovered during the year and the funding charges to profit and loss account. This represents an extension of the more informative basis of reporting adopted in our 1979 annual accounts. At 30th September, 1980 the group's provisions for doubtful debts totalled \$125,082,000, of which the specific provision totalled \$54,494,000 and the general provision totalled \$70,588,000. Full details are contained in notes 1 (e), and 5 to the accounts.

The consolidated operating profit represents a return on year-end shareholders' funds of 17.3 per cent and a return on total assets of 0.88 per cent. These are considered to be satisfactory levels of return to provide for both an adequate volume of retained earnings to service the Group's expanding requirements and a reasonable growth in income for shareholders.

RETURN ON SHAREHOLDERS' FUNDS (YEAR END)



RETURN ON TOTAL ASSETS (YEAR END)



SUMMARY OF INCOME AND EXPENSES	1980		1979	
	\$'000	%	\$'000	%
Income				
Interest received	1,394,555		1,023,922	
Less Interest paid	856,602		587,853	
Net Interest received	537,953	66.5	436,069	68.1
Commission and other income (including extraordinary items)	270,905	33.5	204,610	31.9
Total income	808,858	100.0	640,679	100.0
Expenses				
Salaries	242,928	30.0	207,890	32.4
Other personnel expenses	92,398	11.4	60,333	9.4
Building occupancy expenses	55,767	6.9	52,633	8.2
Other expenses	145,965	18.1	108,007	16.9
Total expenses	537,058	66.4	428,863	66.9
Income tax	117,596	14.6	96,025	15.0
Dividends	37,355	4.6	29,173	4.6
Minority shareholders interests	5,145	0.6	912	0.1
Retained earnings (including reserves)	111,704	13.8	85,706	13.4
Total	808,858	100.0	640,679	100.0

Dividends

Directors recommend that a final dividend of 12 cents per share be paid to shareholders registered in the books of the company at the close of business on 27th January, 1981. New shares arising from the one-for-four bonus issue which shareholders will be asked to approve at the Annual General Meeting on 19th January, 1981 will be entitled to participate in this final dividend. The dividend will be paid on 23rd February, 1981. This is later than usual because of the additional work associated with the bonus issue.

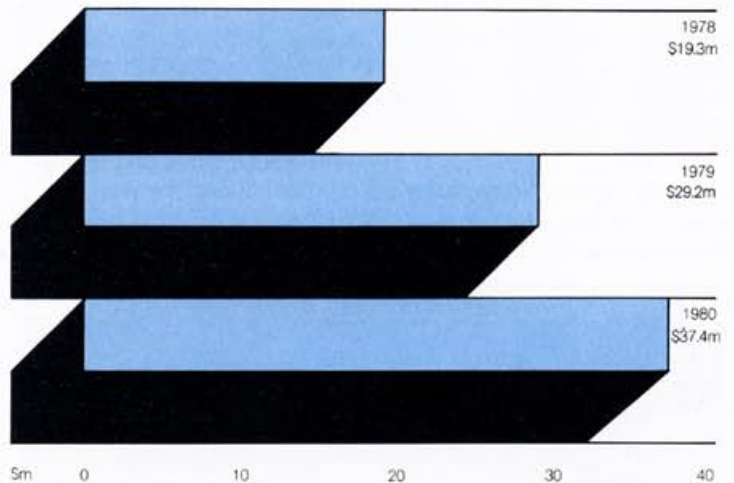
An interim dividend of 12 cents per share was paid on 4th July, 1980.

After adjusting for the new share issue, the total dividend payment for the year will be the equivalent of 27 cents per share, compared with 22 cents per share in the previous year. The total dividend distribution will be \$37.4 million, compared with \$29.2 million in 1978-79.

The 1980 distribution maintains the strong growth in dividend payments in recent years, particularly since the transfer of domicile from England to Australia freed the Bank of dividend restraints. In the year to 30th September, 1977, the total dividend distribution was \$13.9 million.

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 27th January, 1981.

DIVIDEND PAYMENTS



Inflation Accounting

The Bank is fully aware of the impact of inflation on financial statements and is conscious of requests by accounting bodies to publish current cost accounting information on a memorandum basis as a supplement to the accounts. However, to date there has been no broad acceptance in Australia of the principles of current cost accounting and it is our intention to provide current cost accounting information when an acceptable standard is finalised. Developments locally and overseas are under notice and we will continue to support the accounting bodies' efforts to achieve resolution of this matter.

Community Relations

The Bank involves itself in a range of community activities wherever it conducts business. This involvement is essential if we are to understand the needs and problems of our customers and properly fulfil our role as a major source of finance and an organisation whose first priority is providing service.

Commercial sponsorships form part of the Bank's community activities. In 1980 our sponsorship interests in Australia ranged from a major involvement with the Miss Australia Quest, which raises funds for spastic centres, to support for the Royal Flying Doctor Service in Queensland and the rugby colt of the year in NSW. Sponsorships in the other main centres where the Bank operates are equally diverse, but always with the underlying objective of supporting a worthwhile community activity.

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

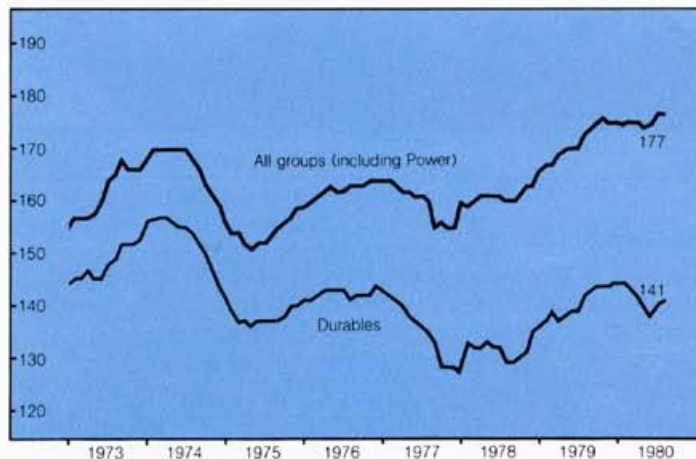
The Australian Economy

A pleasing feature of 1979-80 was the lower rate of inflation in Australia, compared with that in most other developed nations. Consumer prices in the Organisation for Economic Co-operation and Development (OECD) area rose by 13.2 per cent, compared with 10.7 per cent for Australia, in the year to June, 1980. This gap probably will narrow as the rate of inflation is expected to slacken in the OECD area during 1980-81.

In the year to September, 1980, the number of people employed in Australia rose by 207,200, or 3.4 per cent, to 6,325,300. The strengthening in labour demand was also indicated by ANZ's employment advertisement series. The weekly average number of advertisements in September, 1980 was 20,086, after adjustment for seasonal influences. This was the highest level for over three years. Unemployment remains a social and economic problem, with rates ranging from 3.5 per cent for adult men to 19.3 per cent for females aged 15-19 years (17.1 per cent for all youth) looking for full-time work, at October, 1980.

Factory output rose firmly in 1979-80. ANZ's index of quantity of factory production rose by 5.5 per cent during the year to a level more than four per cent higher than the previous peak in the boom year of 1973-74.

ANZ INDEX OF FACTORY PRODUCTION — AUSTRALIA Seasonally adjusted



The year to June, 1980 was marked by strong growth in exports, which provided the main impetus to economic growth. Overall, there was a quickening in non-farm output, from a growth rate of 2.1 per cent in 1978-79 to 3.1 per cent in 1979-80.

Although wheat production remained high, there was a fall in farm output from the very high level of the previous year. Together with a levelling of investment spending and an easing in consumption growth, this contributed to a slowing in real gross domestic product growth. Real GDP in 1979-80 was estimated to be 2.2 per cent higher than in 1978-79, when the rise on the previous year was 3.9 per cent.

The improvement in non-farm growth is expected to continue in 1980-81 to about 3.5 per cent. On current indications private consumption expenditure should show a mild improvement, while total capital investment spending is expected to rise significantly.

The combination of slowing overseas demand and rising domestic demand suggests that net exports will detract slightly from economic growth in 1980-81. Also, the terms of trade seem likely to weaken. Consequently, the balance of trade surplus seems certain to be much reduced, with a

widening in the current account deficit. If private capital inflow continues at the rate recorded in the June and September quarters of 1980, the overall outlook for the economy should remain comparatively favourable.

Operations in Australia

The suppression of key bank interest rates at artificially low levels adversely affected both our trading and savings bank business in the year under review.

Trading Bank

The maximum rate banks are allowed to charge on overdrafts under \$100,000, 10 per cent until March, 1980 and then 10.5 per cent, were and still are at the time of writing, clearly out of line with other, uncontrolled interest rates. The same applies to the 10 per cent maximum rate banks may offer on term deposits.

Recent increases in interest rates on government securities highlight the extent to which banks are restricted in their ability to compete fairly in the market place. Inevitably this disrupts the efficient allocation of resources. For example, the continuation of unreasonably low rates in the under \$100,000 lending area can only induce banks to consider diverting resources away from personal and small business borrowers to corporate borrowers in the over \$100,000 lending category, where there are no official interest rate controls.

In the recent climate of rising interest rates, trading banks have found themselves severely constrained by the 10 per cent term deposit maximum. As a result undue reliance has been placed on raising funds through certificates of deposit, available only in large amounts and where there are no interest rate controls. The volume of ANZ certificates of deposit outstanding rose by \$720 million in the year to September, 1980, while the volume of term deposits of \$50,000 and over declined by \$401 million. Our total trading bank deposits averaged \$4,345 million for the year to September, 1980, up 13.7 per cent from the preceding year.

Major trading bank loans outstanding increased by \$2,502 million or 16.7 per cent in the year to June, 1980, and ANZ outstandings rose by \$533 million, or 18.5 per cent. Some of this growth arose from businesses responding to the improved level of economic growth. However, external factors were more important — including the fact that the level of overseas interest rates, particularly in the United States, in some periods during the year made it comparatively cheap to borrow in Australia. Thus there were large movements of funds as overseas loans were repaid and domestic lines of credit used.

Savings Bank

The savings bank is the area of our Australian activities which has been hardest hit by the stifling of interest rate competition. In the trading bank there is some scope (albeit restricted) to compete for deposits by issuing certificates of deposit and to forestall erosion of profits by careful asset management. However, our savings bank is restricted both in the proportion of deposits it may on-lend (60 per cent) and in the action it may take to manage its assets, since it is required to lend against the security of land (or, in certain circumstances, against a government guarantee).

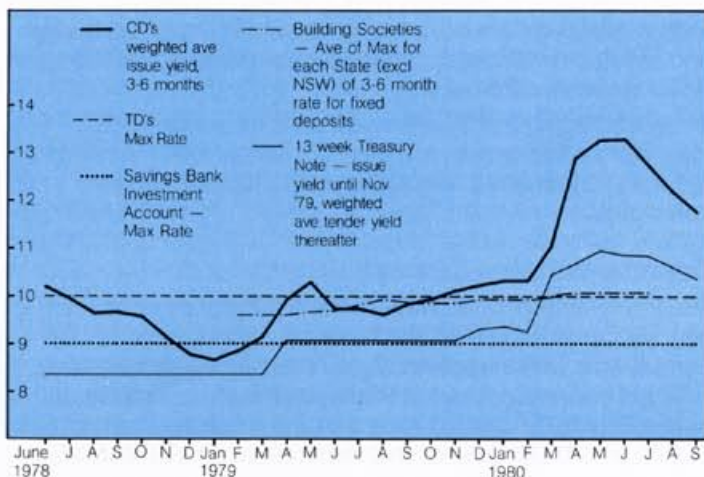
Against this background, interest rate controls are particularly restrictive. The maximum lending rate of 10.5 per cent for housing (9.5 per cent until April, 1980 then 10 per cent until July) would itself limit the rate which could be offered on deposits — since the differential must allow for cost

absorption and profits — but the banks are in any case limited to offering nine per cent on deposits.

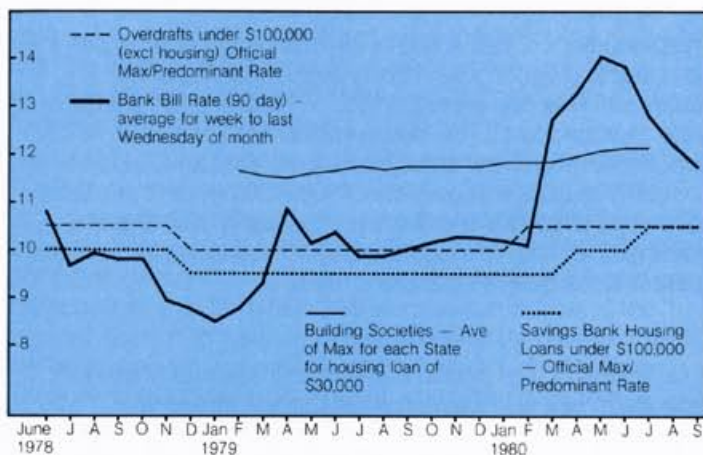
The accompanying graphs show the differential between savings bank interest rates and other rates in the market. As the Bank's financial year ended, the Federal Government was offering a deposit rate of 10.25 per cent on Australian Savings Bonds, semi-government authorities offered 12 per cent for four-year money and permanent building societies offered high rates at call as well as (in Victoria) rates of up to 12 per cent for 12-months term deposits. These instruments compete with investment accounts through which the savings banks hope to attract funds at nine per cent.

The lack of interest rate competitiveness by savings banks has drastically affected their intake of deposits. All savings bank deposits in September, 1980 were only 7.5 per cent higher than a year earlier, whereas deposits with permanent building societies had grown by 18.9 per cent.

AUSTRALIA: SELECTED INTEREST RATES (%) — DEPOSITS



AUSTRALIA: SELECTED INTEREST RATES (%) — LENDING

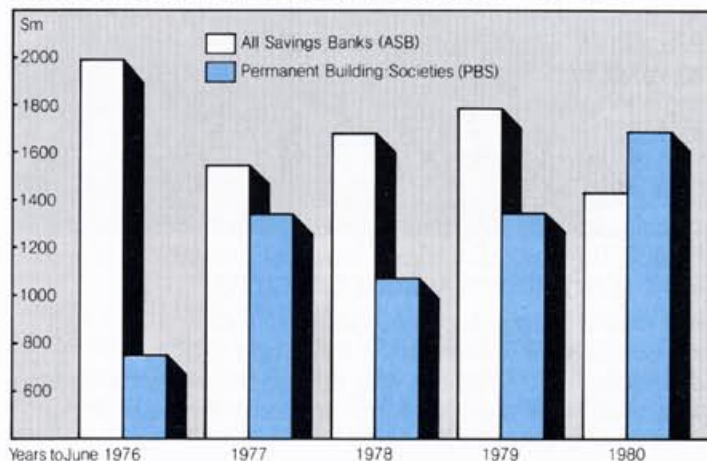


ANZ's savings bank deposits rose by seven per cent, to average \$1,959 million for the year to September, 1980. The impact of this low rate of deposit growth was reflected in a 20.9 per cent reduction in the value of ANZ housing loans granted during the year. The total fell from \$360.5 million to \$285.2 million.

Unless the banks' ability to attract deposits is restored, the curtailment of funds available for housing loans will continue. It is against the community's interests for official policies to encourage the diversion of housing funds from the savings banks, which have a proven record as efficient and low cost

lenders, to higher cost intermediaries such as building societies, which have relatively little official intervention in their activities and are actively exploiting this favourable situation.

COMPARATIVE ANNUAL DEPOSIT GROWTH SAVINGS BANKS AND PERMANENT BUILDING SOCIETIES — AUSTRALIA



Future of the Banking System

It should be emphasised that ANZ's criticism of the degree of official controls over banks is not prompted primarily by short-term profit considerations, although we believe banks, along with other corporate groups, have not done enough to educate the community about the importance of a thriving, profitable business sector. Our major concern is the longer-term damage to the banking system that must result if there is continued interference with the proper functioning of market forces. Australia's banking system has served the nation well and given reasonable freedom to compete in the market place, will continue to do so.

Reflecting our concern about these issues, the Bank has given considerable support and attention to the work of the Campbell Inquiry. Following our main submission in 1979, two supplementary submissions have been forwarded, on the entry of foreign banks into Australia and the operation of the payments system. On present indications, the Committee's final report and recommendations will be available about mid-1981. It is to be hoped that the Government will seize the opportunity presented by this Inquiry to change Australia's financial system to provide for our future needs and eliminate existing anomalies and inefficiency.

Esanda

Despite relatively poor trading conditions in the motor industry and the impact this had on demand for consumer finance, Esanda's retail lending increased by 24 per cent. Average net receivables increased by 19 per cent. Pressure on interest margins increased, due to the combined effect of business written at low rates in 1979 and higher borrowing rates, particularly in the latter part of the year under review.

A very satisfactory level of bad debts contributed significantly to the year's result. Net bad debts were \$4.1 million, compared with \$5.8 million in the previous year, and represented 0.26 per cent of average net receivables (1978-79 — 0.44 per cent).

Net receivables at 30th September, 1980 were \$1,686 million, including leasing \$849 million, hire purchase \$361 million and commercial/real estate loans of \$209 million.

Paid-up capital was increased by \$27 million to \$84.5 million, comprising a \$20 million capitalization from general reserve and a \$7 million cash subscription by the parent trading bank.

After payment of a dividend of \$10.6 million to the Bank, shareholders' funds at 30th September, 1980 totalled \$180 million.

The Bank of Adelaide

The Bank acquired The Bank of Adelaide on 30th November, 1979 and the businesses were fully and successfully integrated, on schedule, on 1st October, 1980. Achieving the integration target and simultaneously maintaining service to customers was a notable achievement. The Board pays tribute to the co-operative effort of the many staff members involved.

The Bank of Adelaide group contributed \$8,628,000 to consolidated operating profit, including The Bank of Adelaide \$65,000, The Bank of Adelaide Savings Bank \$920,000 and Finance Corporation of Australia \$7,612,000.

The Finance Corporation of Australia profit compared with a net loss of \$39.37 million for the 15 months to 30th September, 1979. That loss was caused mainly by the need to make substantial provision for diminution in the value of the company's land holdings.

Bankcard

Bankcard continued its successful growth in the latest year. A significant development was affiliation with world-wide charge card schemes, Visa and MasterCard, linking Australian cardholders and merchants with some 140 countries/territories.

It will be some years before operating losses incurred in the formative years and start-up expenses are fully recouped. However, recent experience indicates that Bankcard will be a useful contributor to group profits over future years.

At 30th September, 1980, ANZ had 458,168 cardholders and 20,809 merchant clients. Cardholder outstandings totalled \$148.8 million.

During the year the Trade Practices Commission handed down its final determination on the Bankcard Interbank Agreement, under which the banks have operated the service since launch in 1974. The determination sets three conditions to be complied with before formal authorisation of the agreement. Banks accepted one of these — removal of various common charges for cardholders and merchants — and this has operated from 15th October, 1980. Following appeals by banks and other parties, the other two conditions, which deal with the exclusivity aspects of the scheme and merchant two-tier pricing, will be the subject of hearings by the Trade Practices Tribunal next February.

Technology

At 30th September, 1980, 90 per cent of ANZ branches in Australia had accounts processed by computer. There are 68 branches in Melbourne and 76 in Sydney equipped with STC on-line branch terminals.

Since October, 1980 former Bank of Adelaide branches have progressively had their accounts transferred from their computer system to ANZ's system. The transfer is expected to be completed by October, 1981.

A "model" branch has been set up at the South Yarra Data Processing Centre in Melbourne as part of the Bank's research into the application of new or improved technology. There is further reference to this development under "Staff".

Long term requirements for data processing services are being reviewed, preparatory to developing strategic technology plans for the 1980's.

New Zealand — The Economy

There were some encouraging economic trends early in 1980. A firmer tone developed in consumer spending, helped by personal tax cuts, a good export performance and a flattening off in the rate of unemployment. The announcement of firm decisions on proposed energy projects also helped to renew confidence. However, by mid-1980 consumer demand had weakened again and both public and private sector spending was subdued, especially in the home and commercial building sectors.

The rate of inflation was high early in 1980 but has since eased slightly. The annual rate of increase in the consumer price index was 16.2 per cent to September, 1980, compared with a peak rate of 18.4 per cent in the year to March, 1980. Present indications are that inflation will continue to fall slowly in 1980-81.

The overseas exchange transactions current account deficit was \$543 million in the year to August, 1980, compared with \$403 million in the previous year. The deficit is likely to rise further in the year ahead, although growth in export volumes and satisfactory prices for agricultural exports should keep the deficit at a manageable level.

It is encouraging that Government policies are directed towards positive growth at a level consistent with the need to reduce inflation and to live within the foreign exchange constraint.

Operations in New Zealand

The newly-incorporated New Zealand subsidiary completed a very successful first year of operations. Although not strictly comparable with the previous year's results, because of the different capital structure of the new bank, the consolidated net profit of NZ\$16,845,000 was 61.3 per cent more than the results in 1979. Directors have recommended a final dividend of 7 per cent for 1980, making a total of 14 per cent for the full year. The directors congratulate the New Zealand Board and management on the fine results achieved.

The placement of 6,674,500 of the company's shares with the New Zealand public was heavily over-subscribed. The placement was completed in March, 1980 and the shares were allocated to 12,150 New Zealand applicants. Simultaneous with the share placement, the New Zealand company made a takeover offer for the 36 per cent of shares not owned already in the finance subsidiary, UDC Group Holdings Ltd. The New Zealand public now has a 25 per cent interest in the Bank's operations there.

Other Overseas Operations

A full review of the London branch business was started recently, aimed at improving profitability in this area of operations.

Our New York, Los Angeles and Hong Kong offices have expanded their businesses and all made significant contributions to group profit in 1980. Singapore branch has operated successfully since opening in January, 1980 and our Papua New Guinea subsidiary and Pacific Islands operations have made satisfactory progress.

The new headquarters building for ANZ Banking Group (New Zealand) Limited at Wellington is now above ground level, with construction proceeding on schedule.

Subsequent to the merging of our two major offices in Martin Place, Sydney, the historic building at No. 2 Martin Place was sold in April for \$4.2 million. In October, 1980, the former Bank of Adelaide Melbourne office building at 267 Collins Street was sold at auction for \$5.3 million.

There are now 20 service centres in Australia and one in New Zealand, of which 18 are new points of representation. It is expected that growth in this new form of representation will continue.

Area Banking has been extended to all States of Australia and to New Zealand. Because of the geographic spread of branches in South Australia and Western Australia, only a modified form of Area Banking has been developed there.

Staff

The high degree of staff application and dedication is reflected in the excellent profit results from all areas of the group's operations during the year under review. The Board wishes to acknowledge this contribution by staff towards the Bank's continued progress.

The introduction of staff profit participation and share purchase schemes have encouraged, and made provision for, a greater degree of staff involvement in group activities. Staff participating in these schemes have received substantial profit-sharing allocations and increased dividends as rewards for their contribution to the Bank's improved results.

In an organisation as big and wide-spread as ANZ, effective communication is essential. The bank is very conscious of the need to maintain and improve communication at all levels of management. An important initiative taken last year, with this objective in mind, was the establishment of elected staff committees, ranging from local committees to a national committee comprising representatives from each state. The national staff committee has met twice in Melbourne this year with the Bank's senior executives and this has provided a valuable forum for discussions on domestic ANZ issues between senior management and other staff.

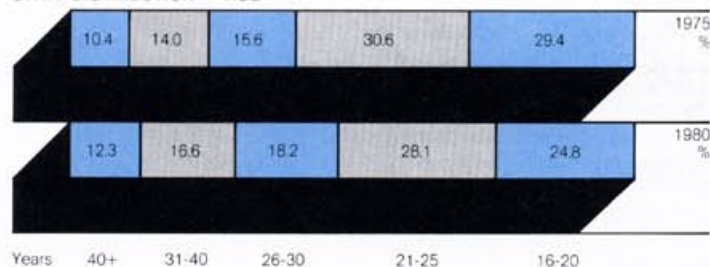
Recognising the need to constantly monitor and maintain its ranking in a highly competitive industry, the Bank adopts a progressive policy towards the introduction of technological improvements in its systems and procedures. In line with this policy, studies are being undertaken into the future use of in-branch computer terminals. We are also evaluating, at the "model" branch in Melbourne, the possible use of automatic telling machines as a means of supplementing our telling services to customers, both during and after hours. It is emphasised that in considering the introduction of new technology, the Bank attaches the highest priority to the well-being of the staff.

The former John Batman Motor Inn at 69 Queen's Road, Melbourne, has been converted into an ANZ residential staff training centre at a cost of \$2.6 million. The new centre was officially opened in September, 1980. Its extensive facilities will enable two residential courses to be conducted concurrently for about 46 weeks each year, and in 1980-81 about 2,000 officers are scheduled to attend courses.

World-wide staff at 30th September totalled 22,869, compared with 20,686 a year earlier. Of the latest total, 50.1 per cent were males and 49.9 per cent were females, while 18,895

were employed in Australia, compared with 16,868 in the previous year. Bank of Adelaide staff numbers are included only in the 1980 figures and at 30th September, 1980 totalled 1,523, all in Australia apart from 42 in London.

STAFF DISTRIBUTION — AGE



Senior Staff Retirements

Mr. M. Brunckhorst, the Bank's Managing Director since April, 1976, retired on 31st October after a career of 45½ years. Mr. Brunckhorst's term as ANZ's chief executive was one of the most eventful and successful periods in the Bank's history. He will be remembered for his leadership and his high personal standards, which he encouraged others to match. Less widely known was his concern for the welfare of staff and the key role he played in ensuring that ANZ's range of staff benefits are second to none. The Board thanks him for his outstanding contribution to the Bank and wishes him well in retirement.

It is with regret that we record the retirement on 31st October, 1980, due to ill health, of Mr. K. O. Wilks, Assistant General Manager — Planning and Group Finance. Mr. Wilks played an integral part in planning the transfer of the Bank's domicile from the United Kingdom to Australia. His specialised knowledge of finance and accounting were invaluable in many other projects which have contributed to the bank's recent growth and success.

Mr. R. C. Wheeler-Bennett, General Manager — Europe, retired on 30th November, 1980 and Mr. H. V. Newcombe, State Manager — South Australia retires on 15th December, 1980. The Board acknowledges with thanks the valuable contributions made by these officers during long periods of distinguished service and extends good wishes to them.

Outlook

In Australia, our most important market, the general economic outlook is quite favourable. However, there are adverse trends in our two main cost areas — personnel and interest rates. Personnel costs continue to escalate and official restrictions on bank interest rates adversely affect our margins. Because of these factors, the Bank faces a challenge to maintain its 1980 level of performance in the year ahead. But with continued application by staff and management policies aimed at containing costs and maximising revenue, we are confident of meeting this challenge.

Additionally, our major overseas points of representation, particularly New Zealand, the USA and Hong Kong, represent avenues of profit not directly related to Australian conditions. In all these points our business trends are encouraging.

Overall, the outlook for the Bank is for further progress in the current year.

San G. Loran Chairman
John G. ... Managing Director

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 3.

Retiring directors and those eligible and offering themselves for re-election are set out in the Notice of Meeting on page 2.

Activities

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

At 30th September, 1980, the Company and its subsidiaries had 1,402 branches, sub-branches, agencies, service centres and representative offices, located as set out on page 33.

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 22.

During the year

- Australia and New Zealand Banking Group Limited acquired all of the issued shares in The Bank of Adelaide. The consideration for this acquisition was the allotment of 10,740,200 ordinary shares of \$1 each fully paid on the basis of 15 shares for every 44 ordinary shares of \$1 each in The Bank of Adelaide (full details of The Bank of Adelaide and its subsidiaries are shown on pages 22-23 of this report).
- In terms of the ANZ Banking Group (New Zealand) Act 1979, Australia and New Zealand Banking Group Limited
 - transferred the whole of its undertaking in New Zealand to ANZ Banking Group (New Zealand) Limited
 - received 40,000,000 ordinary shares of NZS1 each fully paid in ANZ Banking Group (New Zealand) Limited
- ANZ Banking Group (New Zealand) Limited acquired a further 3,884,000 ordinary shares of NZS1 each in UDC Group Holdings Limited to increase its beneficial ownership of that company from 64.04 per cent to 100 per cent. The consideration for this acquisition was the allotment of 3,884,000 ordinary shares of NZS1 each fully paid in ANZ Banking Group (New Zealand) Limited. As indicated above UDC Group Holdings Limited is now a wholly owned subsidiary of ANZ Banking Group (New Zealand) Limited.
- ANZ Pensions (New Zealand) Limited was incorporated in New Zealand with a paid up capital of NZ\$100. The company will manage the New Zealand staff pension fund.
- Australia and New Zealand Banking Group Limited placed 6,674,500 ordinary shares of NZS1 each fully paid in ANZ Banking Group (New Zealand) Limited with the New Zealand public. Following this placement and the issue by the New Zealand company of:
 - 3,884,000 shares to acquire shares in UDC Group Holdings Limited as referred to above; and
 - 550,000 shares to a trustee for purchase by staff of the company, the interest of Australia and New Zealand Banking Group Limited in ANZ Banking Group (New Zealand) Limited was reduced from 100 per cent to 75 per cent.
- The following subsidiaries of F.C.A. Finance Pty. Limited were placed in members' voluntary liquidation:
 - Welcaf Developments (Section 1 to 19) Pty. Ltd. (19 separate companies).
 - Finlew Investments Pty. Ltd.
 - Finlew Developments (Section 1) Pty. Ltd.
 - Finlew Developments (Section 2) Pty. Ltd.
 - Dixon Developments Pty. Ltd.
- F.C.A. Finance Pty. Ltd. sold its 100 per cent interest in Kalpet Estates Pty. Ltd. for \$60. Net tangible assets of Kalpet Estates at date of disposal were \$60.
- The Bank of Adelaide and Finance Corporation of Australia Limited sold their respective holdings of 15 per cent and 50 per cent in Financial Leasing Corporation (Aust.) Limited for a total consideration of \$2,086,500. Total net tangible assets of Financial Leasing Corporation (Aust.) Ltd. at date of disposal were \$3,289,000.
- The Bank of Adelaide sold its 100 per cent holdings in Boomerang Travel Ltd. and Canberra Travel Ltd.
- UDC Group Holdings Limited sold its 60 per cent interest in Rentacolor New Zealand Limited for NZ\$1,140,103. Net tangible assets at date of disposal were NZ\$369,000.

Reserves and Provisions

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

	\$'000
Australia and New Zealand Banking Group Limited:	
Transfer from contingencies reserve	2,264
Transfer to general reserve	30,000
Transfer to specific provision for doubtful debts	6,914
Transfer to general provision for doubtful debts	7,732
Transfer to provision for long service leave	5,206
Transfer to revaluation reserve	27,979
Transfer to share premium reserve	25,785
Australia and New Zealand Savings Bank Limited:	
Transfer to general reserve	14,000
The Bank of Adelaide:	
Transfer to provision for depreciation and amortisation	651
Transfer to specific provision for doubtful debts	558
Transfer to general provision for doubtful debts	960
Transfer to capital reserve	1,951
ANZ Banking Group (New Zealand) Limited:	
Transfer to specific provision for doubtful debts	534
Transfer to general provision for doubtful debts	1,490
Transfer to share premium reserve	2,628
Transfer to provision for long service leave	684
ANZ Savings Bank (New Zealand) Limited:	
Transfer to general reserve	1,423
Transfer from general reserve	4,187
ANZ Holdings Limited:	
Transfer to capital reserve	4,016
Transfer to provision for depreciation and amortisation	707
ANZ Investments Limited:	
Transfer to capital reserve	7,711
ANZ Properties (Australia) Limited:	
Transfer to provision for depreciation	1,811
Transfer to property reserve	461
ES&A Holdings Limited:	
Transfer to capital reserve	2,228
Transfer to provision for depreciation and amortisation	389
Esanda Limited:	
Transfer from general reserve	20,000
Transfer to general reserve	15,000
Transfer from provision for identified doubtful debts	200
Transfer to general provision for doubtful debts	1,000
Transfer to provision for depreciation	456
Finance Corporation of Australia Limited:	
Transfer from provision for diminution of development ventures	14,070
Transfer from provision for doubtful debts	1,052
Transfer to provision for contingencies	400
The Bank of Adelaide Savings Bank Limited:	
Transfer to capital reserve	954
UDC Group Holdings Limited:	
Transfer to provision for depreciation	799
Transfer to capital reserve	1,062

Share and Debenture Issues

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

- Australia and New Zealand Banking Group Limited
 - 10,740,200 ordinary shares of \$1 each fully paid in exchange for all the issued capital of 31,504,687 ordinary shares of \$1 each fully paid of The Bank of Adelaide.
 - 975,800 ordinary shares of \$1 each fully paid to staff under the employee share purchase scheme.
- ANZ Banking Group (New Zealand) Limited
 - 40,000,000 ordinary shares of NZS1 each fully paid to Australia and New Zealand Banking Group Limited upon transfer of the whole of the undertaking in New Zealand of Australia and New Zealand Banking Group Limited.
 - 3,384,000 ordinary shares of NZS1 each fully paid in exchange for 3,384,000 ordinary shares of NZS1 each fully paid in UDC Group Holdings Limited.

- 550,000 ordinary shares of NZ\$1 each unpaid to a trustee for purchase by staff of the company in terms of the employee share purchase scheme. 320,200 of the shares held by the trustee were subsequently issued fully paid to staff.

Esanda Limited

- A bonus issue of 20,000,000 ordinary shares of \$1 each fully paid to Australia and New Zealand Banking Group Limited by capitalising part of the general reserve.
- A cash issue of 7,000,000 ordinary shares of \$1 each fully paid to Australia and New Zealand Banking Group Limited to finance the continued growth of the company.

ANZ Pensions (New Zealand) Limited

- 100 ordinary fully paid shares of NZ\$1 each to ANZ Banking Group (New Zealand) Limited.

UDC Group Holdings Limited

- 4,200,000 ordinary shares of NZ\$1 each unpaid to Endeavour Investments (New Zealand) Limited.

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

	Esanda Limited \$'000	Finance Corporation of Australia Limited \$'000	UDC Group Holdings Limited NZ\$'000*
Debtenture stock and unsecured notes at beginning of financial year	1,208,453	350,065	98,684
Issued during year*	392,920	71,652	151,375
	1,601,373	421,717	250,059
Redeemed during the year	273,252	143,455	109,161
Debtenture stock and unsecured notes at end of financial year	1,328,121	278,262	140,898
Loans and deposits held at end of financial year	133,922	—	44,657
Total borrowed funds at end of financial year	1,462,043	278,262	185,555

(*UDC Group Holdings figures for 18 months to 30th September, 1980)

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

The directors propose payment of a final dividend of 12 cents per share, amounting to \$20,769,391, to be paid on 23rd February, 1981 and this will be recommended at the Annual General Meeting. The 34,615,651 shares arising from the bonus issue will participate in this final dividend. Since the end of the previous year a final dividend of 12 cents per share, amounting to \$16,498,416 was paid on 31st January, 1980 and an interim dividend of 12 cents per share amounting to \$16,586,112 was paid on 4th July, 1980. The final dividend paid on 31st January, 1980 was detailed in the directors' report dated 30th November, 1979.

Neither the interim dividend paid on 4th July, 1980, nor the current dividend recommendation have been mentioned in previous directors' reports.

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, 1980 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.

In the interval between the end of the financial year and the date of this report there has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of any company in the Group for the current financial year.

The results of the operations of the Company and its subsidiaries of the year ended 30th September, 1980 were in the opinion of the directors substantially affected by the acquisition of The Bank of Adelaide group and the transfer of the New Zealand business to a locally incorporated subsidiary in which the New Zealand public have a 25 per cent interest. These events are referred to in greater detail elsewhere in the annual report.

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 (i) retirement benefits pursuant to agreements of the type referred to in Article 79(b) which have been entered into since the end of the previous financial year between the Company and all directors other than full-time employees of the Company and The Right Hon. Lord Remnant, (ii) a retirement benefit received by Mr. E. H. Burgess pursuant to an agreement entered into between himself and Finance Corporation of Australia Limited, (iii) benefits that may be deemed to have arisen because of legal fees paid to Blake & Riggall, in which Mr. G. M. Niall is a partner, and to Bell, Gully & Co., in which Mr. L. M. Papps is a partner, and 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 \$129 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.

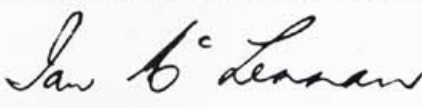

Shareholdings

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 36.

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

Signed at Melbourne for and on behalf of the board of directors in accordance with a resolution of the directors this 28th day of November, 1980.

 Chairman
 Managing Director

Five Year Statistical Summary

FOR THE YEAR	Amounts in \$'millions				
	1976	1977	1978	1979	1980
Group operating profit after tax	36.9	43.7	75.9	107.1	136.0
Including					
— Australian Trading Bank excluding dividends +	9.9	10.9	27.7	50.7	56.9
— Australian Savings Bank +	7.2	10.0	19.0	22.0	24.0
— New Zealand Group (excluding minority interests)	—	—	—	—	10.8
— Esanda	18.5	20.2	25.3	28.3	30.7
— Finance Corporation of Australia	—	—	—	—	7.6
Group operating profit and extraordinary items	39.6	44.9	79.2	114.9	149.1
Dividends paid	8.3	13.9	19.3	29.2	37.4
Number of times dividend covered by profits	4.4	3.1	3.9	3.7	3.6
Return on shareholders' funds	14.3%	13.4%	14.3%	17.0%	17.3%

PER SHARE

Dividends paid	14.2c	20.0c	20.0c	22.0c	24.0c
Earnings (on average capital, adjusted for bonus issues)	36.0c	36.1c	59.9c	84.5c	98.6c
Net assets	\$4.30	\$4.51	\$5.28	\$4.98	\$5.67

YEAR END

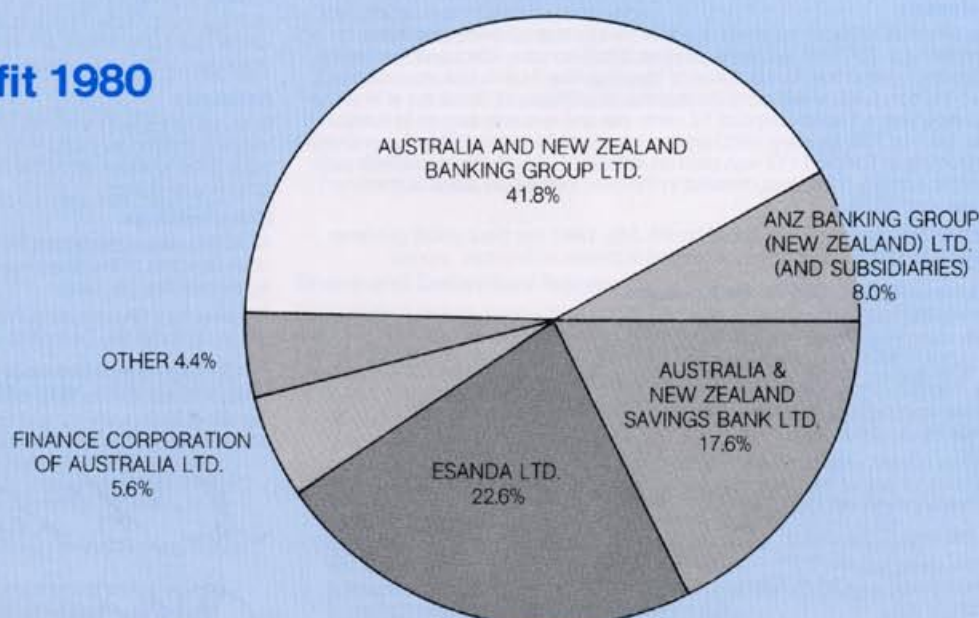
Issued capital	60.1	72.1	101.4	126.7	138.5
Shareholders' funds	258.5	325.0	535.4	631.6	785.0
Total external liabilities (deposits, debentures, etc.)	7,388.7	8,567.1	9,760.2	11,125.1	13,662.7
Ratio of external liabilities to shareholders' funds	28.6:1	26.4:1	18.2:1	17.6:1	17.4:1
Total assets	8,397.4	9,534.2	11,079.8	12,749.1	15,390.0
Total deposits and other accounts*	6,239.5	7,076.7	6,740.1	7,357.3	8,794.5
Trading Bank deposits and other accounts*†	4,497.9	5,103.6	4,732.6	5,150.2	4,944.2
Trading Bank advances, loans etc.†	2,699.5	3,205.4	3,610.5	3,942.8	3,981.5
Australian Savings Bank deposits and other accounts*	1,560.0	1,694.8	1,771.9	1,931.1	2,059.8
Esanda total assets	835.1	1,120.8	1,276.5	1,456.4	1,710.9

+ Profit figures for banking companies for 1976 and 1977 are after transfers to contingencies reserve.

* Figures for 1976 and 1977 include deposits and other accounts. Figures for 1978 to 1980 are deposits only following changed basis of reporting.

† Includes New Zealand Trading Bank for years 1976 to 1979.

Contributions to Profit 1980



Profit and Loss Statement for the year ended 30th September, 1980

Holding Company			Consolidated	
1979	1980		1980	1979
\$'000	\$'000		\$'000	\$'000
870,289	957,053	Gross Income — Discount and interest earned, net exchange, commission and other items	1,652,162	1,223,091
750,492	818,899	Less: Expenses of management, including interest paid	1,393,658	1,019,101
119,797	138,154	Operating profit before income tax (note 3)	258,504	203,990
51,030	56,324	Less: Income tax expense	117,596	96,025
68,767	81,830	Operating profit after tax	140,908	107,965
—	—	Less: Interests of minority shareholders	4,917	849
68,767	81,830	Operating profit — applicable to shareholders of Australia and New Zealand Banking Group Limited	135,991	107,116
225	984	Extraordinary items (note 2)	13,298	7,826
—	—	Less: Interests of minority shareholders in extraordinary items	228	63
68,992	82,814	Operating profit and extraordinary items — applicable to shareholders of Australia and New Zealand Banking Group Limited	149,061	114,879
17,933	30,527	Retained profits at beginning of year	59,545*	39,150
86,925	113,341	Total available for appropriation	208,606	154,029
		Less: Appropriations:		
		Transfer to reserve funds (note 4)		
27,000	30,000	— General	60,068	56,782
225	984	— Contingencies	984	225
—	—	— Capital	10,935	7,573
12,675	16,586	Dividends — interim	16,586	12,675
16,498	20,769	— proposed final payable	20,769	16,498
30,527	45,002	Retained profits at end of year	99,264	60,276

* After adjustments for changes in rates of exchange during the year.

The notes appearing on pages 16-26 are an integral part of these accounts.

Balance Sheet as at 30th September, 1980

Holding Company		LIABILITIES	Consolidated	
1979 \$'000	1980 \$'000		1980 \$'000	1979 \$'000
		Authorised capital:		
200,000	200,000	200,000,000 ordinary shares of \$1 each	200,000	200,000
		Issued and paid up capital:		
126,747	138,463	138,462,604 ordinary shares of \$1 each, fully paid	138,463	126,747
231,506	313,006	Reserve funds (note 4)	547,270	444,586
30,527	45,002	Balance of profit and loss account	99,264	60,276
388,780	496,471	Share capital and reserves applicable to shareholders of Australia and New Zealand Banking Group Limited	784,997	631,609
—	—	Minority shareholders' interest in subsidiary companies	12,980	6,581
16,498	20,769	Proposed final dividend	20,769	16,498
5,150,224	4,944,160	Deposits	8,794,507	7,357,342
—	—	Borrowings by borrowing corporation subsidiaries (note 9)	1,876,271	1,369,829
60,235	69,692	Amounts due to subsidiaries	—	—
756,060	993,494	Due to other banks	1,136,469	759,504
844,308	928,181	Bank acceptances	995,306	844,308
39,105	46,605	Provision for income tax	85,683	71,596
51,948	52,400	Provision for long service leave	60,998	51,948
485,277	425,356	Bills payable, other provisions and all other liabilities (note 6)	692,690	654,081
7,792,435	7,977,128		14,460,670	11,763,296
955,337	724,341	Liabilities under letters of credit, guarantees, etc. (note 11)	929,344	985,842
8,747,772	8,701,469		15,390,014	12,749,138

The notes appearing on pages 16-26 are an integral part of these accounts.

Holding Company		ASSETS	Consolidated	
1979 \$'000	1980 \$'000		1980 \$'000	1979 \$'000
77,192	100,244	Coin, notes and cash at bankers	304,488	219,548
30,200	131,930	Loans to authorized dealers in Australian short term money market	134,930	47,350
14,298	16,749	Money at short call overseas	33,161	14,298
977,944	912,293	Investments other than trade investments <i>(note 13)</i>	2,197,964	1,907,123
207,838	267,592	Statutory reserve deposit account with Reserve Bank of Australia	297,818	207,838
3,237	2,228	Deposits with Central Banks overseas	2,228	3,237
671,630	616,853	Cheques in course of collection and balances with other banks	661,343	681,198
3,942,835	3,981,502	Loans, advances and outstandings under hire purchase and other agreements less provisions for doubtful debts and unearned income, etc. <i>(notes 5 & 7)</i>	8,776,064	6,731,697
657,273	488,492	Bills receivable and remittances in transit	598,746	700,716
844,308	928,181	Bank acceptances of customers	995,306	844,308
26,225	133,385	Amounts due from subsidiaries	—	—
4,501	4,062	Trade investments at cost less amounts written off <i>(note 13)</i>	6,282	5,421
113,923	198,478	Investments in subsidiaries at cost or valuation <i>(note 13)</i>	—	—
71,529	68,135	Premises and equipment <i>(note 16)</i>	245,215	224,395
149,502	127,004	All other assets <i>(notes 8 & 15)</i>	207,125	176,167
7,792,435	7,977,128		14,460,670	11,763,296
955,337	724,341	Liabilities of customers and others under letters of credit, guarantees, etc. <i>(note 11)</i>	929,344	985,842
8,747,772	8,701,469		15,390,014	12,749,138

Notes to the Accounts

1 Bases of Accounting

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

(a) 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.

The 1979 comparative figures in the accounts for the holding company include figures in respect of the New Zealand branch operation which was transferred to ANZ Banking Group (New Zealand) Limited in terms of the ANZ Banking Group (New Zealand) Act 1979 in October 1979. The corresponding New Zealand figures for 1980 are included in the consolidated accounts.

The 1980 consolidated accounts include figures in respect of The Bank of Adelaide group of companies which was acquired during the 1980 year.

(b) TRANSLATION OF OVERSEAS CURRENCY

Profits of overseas branches and subsidiaries have been translated into Australian dollars at the rates ruling at balance date. Assets and liabilities which are expressed in currencies other than Australian dollars have been translated at the rates ruling at balance date and the net surplus or deficiency arising from such translation has been dealt with by transfer direct to reserves.

(c) LEVERAGED LEASE TRANSACTIONS

Certain companies in the group have 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 period of the lease based at a rate of return calculated on the unrecovered investment.

(d) 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 generally 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 to maturity, no provision is considered necessary for any difference between the book amounts and the market values of such individual stocks quoted below book amounts at the balance date, neither have any transfers been made from reserves or out of the current year's profits to write them down, apart from the amortisation of the premium on stocks bought above par referred to above.

(e) BAD AND DOUBTFUL DEBTS

The charge for bad and doubtful debts in the profit and loss account of the Company reflects the average bad debts experience of the current year and the preceding four years and the current volume of lending. Specific provisions are maintained to cover identified doubtful accounts and general provisions are maintained to provide cover for possible future losses which are inherent in any portfolio of bank and finance company lending. Provisions for doubtful debts are deducted from loans and advances in the balance sheet. Operating subsidiaries within the Group maintain appropriate provisions for doubtful debts. Details of provisions are set out in note 5.

(f) DEPRECIATION AND AMORTISATION

Expenditure on buildings is generally depreciated on a straight line basis.

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

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

(g) TAXATION

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

(h) PENSION FUNDS

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 and are not included in these accounts.

(i) GENERAL FINANCE SUBSIDIARIES

The gross income arising from the various forms of instalment credit transactions and other credit facilities entered into by subsidiaries 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.

(j) ASSOCIATED COMPANIES

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

(k) DEFINITIONS

'Holding Company' is Australia and New Zealand Banking Group Limited, 'banking companies' are Australia and New Zealand Banking Group Limited, Australia and New Zealand Savings Bank Limited, The Bank of Adelaide and The Bank of Adelaide Savings Bank Limited, 'non-banking companies' are all companies other than banking companies, 'borrowing companies' are Esanda Limited, Finance Corporation of Australia Limited, UDC Group Holdings Limited and ANZ Properties (Australia) Limited.

	Consolidated		Holding Company	
	1980 \$'000	1979 \$'000	1980 \$'000	1979 \$'000
2 Extraordinary Items				
— Surplus on sale of properties	7,932	4,882	535	—
— Surplus on sale of shares in subsidiary and associated companies	4,884	2,934	449	225
— Deferred tax adjustment prior years	(100)	(95)	—	—
— Overprovision/(underprovision) for tax in prior years	582	105	—	—
No income tax is applicable to the above items	13,298	7,826	984	225

3 Operating Profit

Operating profit includes the following income and expense items:

Income

(a) Interest received or receivable from subsidiaries	—	—	3,157	1,510
(b) Dividend received or receivable from:				
(i) Related companies				
Australia and New Zealand Savings Bank Limited	—	—	8,600	7,650
ANZ Finance (Far East) Limited	—	—	700	—
ANZ Banking Group (New Zealand) Limited	—	—	3,938	—
Esanda Limited	—	—	10,600	9,500
ANZ Holdings Limited	—	—	—	18
ANZ Investments Limited	—	—	570	317
Australia and New Zealand Banking Group (PNG) Limited	—	—	444	462
ANZ Overseas Finance Limited	—	—	82	115
(ii) Other companies	399	194	357	169

Expenses

(a) Depreciation and amortisation of fixed assets	19,460	17,801	13,119	13,635
(b) Auditors' remuneration in respect of auditing of the accounts or group accounts				
— auditors of holding company	456	164	173	141
— other auditors	227	135	—	—
other services				
— auditors of holding company	93	149	93	149
— other auditors	770	485	315	—
The auditors did not receive any other benefits				
(c) Directors' emoluments (excluding fixed salaries) received or due and receivable by —				
Directors engaged in full time employment of the holding company and related companies				
— fees	—	—	—	—
— other emoluments	437	67	163	11
Other directors				
— fees	255	123	115	102
— other emoluments	348	12	151	12
(d) Provision for long service leave	6,153	5,051	5,206	5,051
Provision for non lending losses	737	(67)	511	(7)
Provisions — other	528	543	528	543
Provisions for doubtful debts (see note 5)	25,582	—	14,646	—
(e) Interest paid	856,602	587,853	389,487	336,087

4 Reserve Funds

	Consolidated					
	S'000s					
	Share premium reserve	Asset revaluation reserve	Contingencies reserve	General reserve	*Capital reserves	Total reserve
Balance at 1st October, 1979	21,140	5,799	139,022	244,855	33,339	444,155†
Transfers from profit and loss account			984	60,068	10,935	71,987
Premium on issue of shares for acquisition of The Bank of Adelaide	23,176					23,176
Premium on issue of shares to staff	2,609					2,609
Currency translation adjustments			(3,245)	(23)	(930)	(4,198)
Revaluation of New Zealand undertaking		27,979				27,979
Adjustments on consolidation				(1,758)	(16,680)	(18,438)
Balance at 30th September, 1980	46,925	33,778	136,761	303,142	26,664	547,270

	Holding Company					
	S'000s					
	Share premium reserve	Asset revaluation reserve	Contingencies reserve	General reserve	*Capital reserves	Total reserve
Balance at 1st October, 1979	21,140		106,216	104,150		231,506
Transfer from profit and loss account			984	30,000		30,984
Premium on issue of shares for acquisition of The Bank of Adelaide	23,176					23,176
Premium on issue of shares to staff	2,609					2,609
Currency translation adjustments			(3,248)			(3,248)
Revaluation of New Zealand undertaking		27,979				27,979
Balance at 30th September, 1980	46,925	27,979	103,952	134,150		313,006

*Capital Reserves include — Capital reserve
— Property reserve

† After adjustments for changes in rates of exchange during the year

5 Provisions for Doubtful Debts

	Consolidated		Holding Company	
	1980	1980	1980	1980
	Specific Provision	General Provision	Specific Provision	General Provision
	S'000	S'000	S'000	S'000
Balance at 1st October, 1979	56,505	58,992	49,209	42,957
Bad debts written off	19,699	—	8,146	—
Recoveries	3,702	—	392	—
Charge to profit and loss account	13,986	11,596	6,914	7,732
Balance at 30th September, 1980	54,494	70,588	48,369	50,689

Comparative figures for 1979 are not shown because of the change in the basis of reporting adopted for the 1980 year.

	Consolidated		Holding Company	
	1980 \$'000	1979 \$'000	1980 \$'000	1979 \$'000
6 Other Provisions				
Included in bills payable, other provisions and all other liabilities				
Provision for deferred income tax	44,219	41,204	27,735	28,706
Provision for non-lending losses	3,206	2,467	2,672	2,282
Provisions — other	1,071	543	1,071	543
7 Loans, Advances and Outstandings Under Hire Purchase and Other Agreements less Provisions for Doubtful Debts and Unearned Income, etc.				
Gross loans, advances and outstandings under hire purchase and other agreements	9,623,080	7,260,504	4,179,603	4,101,568
Less: Provisions for doubtful debts	125,082	115,497	99,058	101,125
Provision for contingencies	4,670	1,500	—	—
Income yet to mature	717,264	411,810	99,043	57,608
Net loans, advances and outstandings under hire purchase and other agreements	8,776,064	6,731,697	3,981,502	3,942,835
8. Development Ventures (included in all other assets)			1980	
(a) Development ventures comprise:			\$'000	
(i) Land held for development at cost,				
acquisition	21,393			
development expenses capitalised	1,899			
other amounts capitalised	5,927			
			29,219	
less: liabilities				
secured:				
mortgages				
payable within 12 months	8			
payable beyond 12 months	8			
unsecured:				
contracts for sale and purchase				
payable within 12 months	369			
payable beyond 12 months	—			
other (including provision for expenditure on sold land)				
payable within 12 months	513			
payable beyond 12 months	21			
			919	
add: debtors			28,300	
			3,471	
			31,771	
less: provision for diminution in value of ventures			21,300	
			10,471	
(ii) Loans to associated development companies, secured on real estate			7,476	
less: provision for diminution in value			3,399	
			4,077	
			14,548	

The above particulars relate solely to the Finance Corporation of Australia Limited group which was acquired during the 1980 year.

9 Borrowings by Borrowing Corporation Subsidiaries	1980	1979
	\$'000	\$'000
Borrowings not separately detailed in the balance sheet are as follows:		
<i>Maturing within 12 months</i>		
Debenture stock (secured)	450,075	249,629
Unsecured notes, loans and deposits	489,636	355,328
Mortgages	10	4,806
<i>Maturing after 12 months</i>		
Debenture stock (secured)	816,893	652,562
Unsecured notes, loans and deposits	119,080	107,153
Mortgages	577	351
	1,876,271	1,369,829

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, Finance Corporation of Australia 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).

10 Liabilities Payable by Borrowing Corporation Subsidiaries

	1980	1979
	\$'000	\$'000
Within one year	1,099,632	685,669
Between one and two years	432,345	343,250
Between two and five years	494,605	390,387
After five years	10,859	12,372
	2,037,441	1,431,678

11 Contingent Liabilities

Liabilities under letters of credit, guarantees, etc. include:

	Consolidated		Holding Company	
	1980	1979	1980	1979
	\$'000	\$'000	\$'000	\$'000
Commercial bills endorsed	49,257	42,580	30,263	35,030
Liabilities under letters of credit	329,327	538,869	283,329	534,028
Guarantees entered into in the normal course of business	383,107	337,175	311,887	329,589
Other	167,653	67,218	98,862	56,690
	929,344	985,842	724,341	955,337
Forward exchange contracts	4,958,945	4,006,497	4,449,560	3,632,129
	5,888,289	4,992,339	5,173,901	4,587,466

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

12 Debts Receivable by Borrowing Corporation Subsidiaries

	1980 \$'000	1979 \$'000
Not later than two years	1,787,512	1,306,638
Between two and five years	843,035	565,973
After five years	180,859	40,238
	<u>2,811,406</u>	<u>1,912,849</u>
Less: Income yet to mature on amounts receivable and general provision for doubtful debts and contingencies	629,789	361,338
	<u>2,181,617</u>	<u>1,551,511</u>

13 Investments, Investments in Subsidiaries and Trade Investments**(a) Investments**

Quoted investments are mainly redeemable at fixed dates within ten years and are stated in the balance sheets at cost adjusted for amortised premiums and discounts. The book amounts and valuations at middle market prices of these investments are given below.

	Consolidated		Holding Company	
	1980 \$'000	1979 \$'000	1980 \$'000	1979 \$'000
BOOK VALUE				
Quoted in Australia:				
Australian Government securities	1,068,908	943,663	835,810	775,064
Australian Semi Government securities	64,012	52,377	—	—
Other securities	768	1,144	163	165
Quoted in other countries:				
Government and Local Authority securities	288,904	225,713	3,899	150,422
Other securities	—	1,764	—	134
TOTAL BOOK VALUE OF QUOTED INVESTMENTS	<u>1,422,592</u>	1,224,661	<u>839,872</u>	925,785
Unquoted investments:				
Australian Government and Semi Government securities	567,693	515,110	500	501
Australian Treasury notes	124,644	65,340	48,849	—
Treasury bills	35,348	41,667	—	41,667
Other securities	47,687	60,345	23,072	9,991
TOTAL BOOK VALUE	<u>2,197,964</u>	1,907,123	<u>912,293</u>	977,944
MARKET VALUE				
Quoted in Australia:				
Australian Government securities	1,002,664	921,056	791,694	759,995
Australian Semi Government securities	58,247	51,077	—	—
Other securities	826	1,182	211	146
Quoted in other countries:				
Government and Local Authority securities	271,698	206,968	3,915	138,776
Other securities	—	1,604	—	118
TOTAL MARKET VALUE OF QUOTED INVESTMENTS	<u>1,333,435</u>	1,181,887	<u>795,820</u>	899,035
(b) Investments in Subsidiaries				
Investment in subsidiary — quoted — at directors' valuation 1979 (Market value 1980 \$63,062,000 — 1979 nil)	—	—	48,831	—
Investments in subsidiaries — unquoted — at cost	—	—	149,647	113,923
	—	—	<u>198,478</u>	113,923
(c) Trade Investments				
Trade Investments — quoted — book value (Market value \$337,000 — 1979 \$4,000)	173	17	—	—
— unquoted — book value	6,109	5,404	4,062	4,501
	<u>6,282</u>	5,421	<u>4,062</u>	4,501

14 Subsidiary Companies and Group Interests

	Incorporated in	Principal areas of operations	Issued Capital	Contribution to Group Results \$'000	
				1980	1979
Australia and New Zealand Banking Group Limited	Australia	International		56,895	50,705
Subsidiaries					
ANZ Banking Group (New Zealand) Limited	New Zealand	New Zealand	44,434,000 of NZ\$1	7,265	—
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	2,051	660
ANZ Finance (Jersey) Limited	Jersey		10 shares of £1	—	—
ANZ Holdings Limited	Australia	Australia/NZ.	23,100,000 shares of \$1	3	66
ANZ Investments Limited	Australia	International	150 shares of \$1	586	321
ANZ Managed Investments Limited	Australia	Australia	209,010 shares of \$1	45	34
ANZ Managed Investments (N.S.W.) Limited	Australia	Australia	10,000 shares of \$1	2	2
ANZ Managed Investments (Qld.) Limited	Australia	Australia	16 shares of \$1	2	1
ANZ Managed Investments (S.A.) Limited	Australia	Australia	12 shares of \$1	1	1
ANZ Managed Investments (W.A.) Limited	Australia	Australia	12 shares of \$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	149	68
ANZ Pensions (UK.) Limited	Great Britain	England/Aust.	250,000 shares of £1	—	—
ANZ Pensions Pty. Limited	Australia	Australia	5 shares of \$2	—	—
ANZ Pensions (New Zealand) Limited	New Zealand	New Zealand	100 shares of NZ\$1	—	—
ANZ Properties (Australia) Limited	Australia	Australia	5,000,000 shares of \$1	573	574
ANZ Properties (New Zealand) Limited	New Zealand	New Zealand	10,000 shares of NZ\$1	10	—
ANZ Savings Bank (New Zealand) Limited	New Zealand	New Zealand	250,000 shares of NZ\$2	1,474	1,931
ANZ Services Limited	Australia	Australia	5,000 shares of \$2	—	—
Adelaide Nominees Limited	United Kingdom	United Kingdom	100 shares of £1	—	—
Australia and New Zealand Banking Group (Channel Islands) Limited	Guernsey	Channel Islands	500,000 shares of £1	488	290
Australia and New Zealand Banking Group (PNG) Limited	Papua New Guinea	Papua New Guinea	2,000,000 shares of K1	959	704
Australia and New Zealand Savings Bank Limited	Australia	Australia	7,500,000 shares of \$1	23,978	22,085
The Bank of Adelaide	Australia	Australia	31,504,667 shares of \$1	65+	—
Subsidiaries of The Bank of Adelaide					
The Bank of Adelaide Savings Bank Limited	Australia	Australia	750,000 shares of \$2	920+	—
Adelaide Group Data	Australia	Australia	100,000 shares of \$1	31+	—
Adelgroup Pty. Limited	Australia		10 shares of \$1	—	—
Finance Corporation of Australia Limited	Australia	Australia	41,000,000 shares of \$1 55,000,000 non-cumulative redeemable preference shares of \$1	4,607+	—
Subsidiaries of Finance Corporation of Australia Limited					
F.C.A. Leasing Pty. Limited	Australia	Australia	250,000 shares of \$2	1,292+	—
F.C.A. Finance Pty. Limited	Australia	Australia	260,000 shares of \$2	1,669+	—
F.C.A. (Wholesale) Pty. Limited	Australia	Australia	100 shares of \$1	50+	—
Ashmore Village Pty. Limited	Australia	Australia	90 shares of \$1	—	—
Meadowlake Pty. Limited	Australia	Australia	60 shares of \$1	(6)+	—
Ironbark Developments Pty. Limited	Australia	Australia	90 shares of \$1	—	—
St Albans Park Pty. Limited	Australia	Australia	3 shares of \$1	—	—
Lefca Developments (Section 7) Pty. Limited	Australia	Australia	100 shares of \$1	—	—
Endeavour Investments (New Zealand) Limited	New Zealand	New Zealand	4,000,000 shares of NZ\$1	28	36
Esanda Limited	Australia	Australia	57,500,000 shares of \$1	30,737	28,312
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	8
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	8
ES&A Properties (UK.) Limited	Great Britain	England	125,000 shares of £1	2	4
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	2,0651	1,302
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		34,500 shares of NZ\$2	—	—
Credit for Industry (NZ) Limited	New Zealand		250,000 shares of NZ\$2	—	—
Financial Services Limited	New Zealand		10,000 shares of NZ\$2	—	—
The Traders' Finance Corporation Limited	New Zealand		150,000 shares of NZ\$2	—	—
United Finance Corporation Limited	New Zealand		48,850 shares of NZ\$2	—	—
Mercantile Securities (Hong Kong) Limited	Hong Kong	Hong Kong	5,000 shares of HK\$2	—	—
Quebracho Investments N.V.	The Netherlands Antilles	Curacas	6,000 shares of US\$1	—	—
Adjustment on consolidation				30	
				135,991	107,116

†Includes the Group's share of profits for 18 months to 30th September 1980, following change of balance date of UDC Group (Holdings) Ltd and its subsidiaries

+Includes full 12 months profits.

Group Interest	Held by	Nature of business	Auditors
75%	ANZ Banking Group	Full range of banking services	Giffilan Morris & Co.
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 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		Peat, Marwick, Mitchell & Co
100%	ANZ Banking Group (NZ)	Property owning company	Giffilan Morris & Co.
100%	ANZ Savings Bank		Peat, Marwick, Mitchell & Co
100%	ANZ Banking Group (NZ)	Property owning company	Giffilan Morris & Co
100%	ANZ Banking Group (NZ)	Savings Bank	Hunt, Duthie & Col-Hutchison Hull & Co
100%	ANZ Banking Group	Non-operative	Peat, Marwick, Mitchell & Co
100%	ANZ Banking Group	Nominee services	Ernst & Whinney
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 & Sells/Ernst & Whinney
100%	ANZ Banking Group	Full range of banking services	N. J. Willoughby and R. A. Neill
100%	The Bank of Adelaide	Savings Bank	N. J. Willoughby and R. A. Neill
50%	F.C.A	Data Processing Services	N. J. Willoughby and R. A. Neill
50%	The Bank of Adelaide Savings Bank		
100%	The Bank of Adelaide	Non-operative	N. J. Willoughby and R. A. Neill
100%	The Bank of Adelaide	Real estate, leasing and general finance facilities	Peat, Marwick, Mitchell & Co.
100%	F.C.A	Lease finance	Peat, Marwick, Mitchell & Co
100%	F.C.A	Real estate development and finance facilities	Peat, Marwick, Mitchell & Co.
100%	F.C.A	Motor vehicle finance	Peat, Marwick, Mitchell & Co.
100%	F.C.A Finance	Agent and trustee	Peat, Marwick, Mitchell & Co.
100%	F.C.A Finance	Real estate development	Peat, Marwick, Mitchell & Co.
100%	F.C.A Finance	Agent and trustee	Peat, Marwick, Mitchell & Co.
100%	F.C.A Finance	Non-operative	Peat, Marwick, Mitchell & Co.
100%	F.C.A Finance	Beneficiary of land development partnership	Peat, Marwick, Mitchell & Co.
100%	ANZ Banking Group (NZ)	Parent of UDC Group Holdings Ltd, holding company for UDC Finance Limited and other subsidiaries and associated companies	Price Waterhouse & Co
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		
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
74.1%	Endeavour Investments (NZ)	Holding company for subsidiary and associated company shares	Price Waterhouse & Co
25.9%	ANZ Banking Group (NZ)	General finance facilities	Price Waterhouse & Co
100%	UDC Group Holdings		
100%	UDC Group Holdings		
100%	UDC Group Holdings		
100%	UDC Group Holdings		
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100%	UDC Group Holdings		
100%	UDC Group Holdings		
100%	UDC Group Holdings	Finance Activities	Price Waterhouse & Co
100%	UDC Mercantile (Securities)	Finance Activities	Price Waterhouse & Co
100%	Mercantile Securities (Hong Kong)		

Subsidiary Companies and Group Interests continued

	Incorporated in	Principal areas of operations	Issued Capital
Associated Companies*			
Australian International Finance Corporation Limited	Australia	Pacific Area	6,250,000 shares of SA1 Reserves \$8,659,000
Databank Systems Limited	New Zealand	New Zealand	200,000 shares of NZS1 Loan Capital NZS17,703,500 Reserves NZS2,591,590
Fifty Seven Willis Street Limited	New Zealand	New Zealand	6,542,000 shares of NZS1
New Zealand Bankcard Associates Limited	New Zealand	New Zealand	30,000 shares of NZS1
Melanesia International Trust Company Limited	Vanuatu	International	931,469 shares of £0.50p Reserves \$871,081
Ixia Pty. Limited	Australia	Australia	\$250,000 shares of \$1
Delana Pty. Limited	Australia	Australia	2 shares of \$1 each
Endeavour Hills Pty. Limited	Australia	Australia	3 shares of \$1 each
Lefca Developments (Section 5) Pty. Limited	Australia	Australia	100 shares of \$1 each Reserves \$18,185
Lefca Developments (Section 6) Pty. Limited	Australia	Australia	100 shares of \$1 each Reserves \$62,127
Lefca Investments Pty. Limited	Australia	Australia	2 shares of \$1 each
Allied Mortgage Guarantee Co. Limited	New Zealand	New Zealand	2,000,000 shares of NZS1 Reserves NZS510,227
Irvin and Stern Limited	New Zealand	New Zealand	529,000 shares of NZS1 Reserves NZS754,538
Lambton Investments Company Limited	New Zealand	New Zealand	204,292 shares of NZS1 Reserves NZS361,016
James Plastics Limited	New Zealand	New Zealand	180,000 shares of NZS1 Reserves NZS345,759
Inverleith Holdings Limited	New Zealand	New Zealand	300,000 shares of NZS1 Reserves NZS17,235
Pye Acceptance Limited	New Zealand	New Zealand	10,000 shares of NZS2 Reserves NZS299,503
INTERESTS UNDER 20%			
Argo Investments Limited	Australia	Australia	15,000,000 shares of SA1
Australian Innovation Corporation Limited	Australia	Australia	712,000 shares of SA1
Australian Resources Development Bank Limited	Australia	Australia	11,068 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 300,000 cumulative participating preference shares of K1 197,000 deferred ordinary 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	7,824 shares of US\$5,000
South East Asia Development Corporation Berhad	Malaysia	South East Asia	7,000,000 shares of MS1
Charge Card Services Limited	Australia	Australia	80,010 shares of SA1
Society for Worldwide Interbank Financial Telecommunication	Belgium	International	22,338 shares of BF 5000
West Lakes Limited	Australia	Australia	3,500,000 shares of 50c each

*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
25.0%	ANZ Banking Group	Short and medium term lending and related financial services
20%	ANZ Banking Group (NZ)	Nationwide computer network jointly owned by the trading banks
20%	ANZ Banking Group (NZ)	
15.36%	ANZ Banking Group (NZ)	Property owning company
33.33%	ANZ Banking Group (NZ)	Service Company for administration of charge card services
47.3%	ANZ Investments	Trustee, corporate and financial services
20%	F.C.A.	Motor vehicle retailer
50%	F.C.A. Finance	Property developer
33%	F.C.A. Finance	Trustee
50%	F.C.A. Finance	Beneficiary of trust
50%	F.C.A. Finance	Beneficiary of trust
50%	F.C.A. Finance	Trustee
24.9%	UDC Group Holdings	Guarantee of repayment of property mortgages
24.9%	United Dominions Corporation	Retailer of carpet, furniture and white goods
24.9%	United Dominions Corporation	Finances consumer goods
24.9%	UDC Group Holdings	Manufacturers of plastic film and pipe
20%	UDC Group Holdings	Property developers
50%	UDC Group Holdings	Hiring of radio telephones
0.11%	The Bank of Adelaide	} Investment company
0.92%	The Bank of Adelaide Savings Bank	
3.51%	ANZ Banking Group	
16.67%	ANZ Banking Group	
12.5%	ANZ Banking Group	
0.59%	ANZ Investments	Development of resources in PNG
4.58%	ANZ Investments Melbourne Safe Deposit	} Holding Company of ANG Holdings Ltd.
0.61%	ANZ Banking Group	Capital investments in developing countries of Asia
0.86%	ANZ Investments	Investments and banking facilities in S.E. Asia
14.3%	ANZ Banking Group	Service company for administration and provision of bank charge cards
0.09%	ANZ Banking Group	Management of International Inter-bank Telecommunications system
8.4%	F.C.A. Bank of Adelaide	} Property developer

	Consolidated		Holding Company	
	1980 \$'000	1979 \$'000	1980 \$'000	1979 \$'000
15 Future Income Tax Benefits				
Included in all other assets	56,866	56,596	52,701	55,076

Possible future income tax benefits relative to the Finance Corporation of Australia Limited group arising from provision for doubtful debts, provision for diminution in value of development ventures, and tax losses existing at 30th September, 1980 are not recognised in the accounts. These possible benefits, which could amount to \$13,661,000 for the Finance Corporation of Australia Limited group, assuming provisions for diminution in value of development ventures and doubtful debts have been correctly estimated, and after the recovery of tax losses in the current year (which are not material to the Group), will only be obtained if:

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

16 Premises and Equipment

	1980 \$'000	1979 \$'000
(a) Banking companies		
Freehold and leasehold land and buildings at cost less amounts written off	12,562	8,992
Computers, furniture, office machines and other equipment at cost, less amounts written off	55,573	62,537
	68,135	71,529
(b) Non-banking companies		
Freehold and leasehold land and buildings		
— at directors' valuation 1974	4,290	4,290
— by independent valuation 1976	616	616
— at directors' valuation 1978	682	682
— at directors' valuation 1979	10,785	10,785
— at cost	148,004	131,948
	164,377	148,321
Deduct: Provision for depreciation on buildings	11,891	11,057
	152,486	137,264
Plant, furniture, fixtures and fittings at cost	44,969	27,681
Deduct: Provision for depreciation	21,645	12,565
	1,625	707
Leasehold improvements at cost	355	221
Deduct: Provision for amortisation	1,270	486
	177,080	152,866
Total consolidated premises and equipment	245,215	224,395

17 Capital Expenditure Commitments

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

Banking companies	1,370	2,674
Non-banking companies	2,896	5,869

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, 1980, 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, 1980.

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, 1980, and
 - (b) the state of affairs of the Company and its subsidiaries for the year ended 30th September, 1980
- so far as they concern members of the holding Company.

Dated at Melbourne this 28th day of November, 1980.

Signed in accordance with a resolution of the directors.

Ian McLennan *Director*

J. D. Milne *Director*

Statement by the Principal Accounting Officer

I, David Thomas Craig, 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 28th day of November, 1980.

D. T. Craig

Principal Accounting Officer
Melbourne

Auditors' Report

Auditors' Report to the Members

In our opinion:

- (a) the accompanying accounts and group accounts as set out on pages 13 to 26, 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, 1980 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 in note 14 to the accounts on pages 22 and 23 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 auditors' 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
28th November, 1980.

Australia and New Zealand Savings Bank Limited

Summary of the Audited Accounts* as at 30th September, 1980

Balance Sheet as at 30th September, 1980

LIABILITIES	1980	1979	ASSETS	1980	1979
	\$'000	\$'000		\$'000	\$'000
Authorised capital: 14,000,000 ordinary shares of \$1 each	14,000	14,000	Cash	189	211
Issued capital: 7,500,000 ordinary shares of \$1 each, fully paid	7,500	7,500	Deposits with Reserve Bank	91,500	91,500
Reserve funds	86,008	72,006	Deposits with Australia and New Zealand Banking Group Limited	17,629	12,725
Balance profit and loss account	9,739	8,361	Loans to authorized dealers in Australian short term money market	3,000	13,500
	103,247	87,867	Australian public securities (a) Commonwealth of Australia		
Deposits	2,059,780	1,931,114	– Treasury notes	70,795	65,340
Provision for income tax	14,785	14,556	– other	164,613	168,598
Bills payable and other liabilities	59,071	51,543	(b) Local & Semi Government Other public securities	585,261	566,886
				7,634	6,828
			Balances due by other banks	2,000	2,000
			Loans less provision for doubtful debts	1,263,071	1,126,846
			Shares in subsidiary	5,000	5,000
			Other securities	2,746	3,067
			Other assets	23,445	22,579
	2,236,883	2,085,080		2,236,883	2,085,080

Profit and Loss Account for the year ended 30th September, 1980

Expenses of management, including interest paid and accrued on deposits	153,486	136,379	Discount and interest earned, commission and other items	197,515	176,740
Income tax expense	20,051	18,276			
Operating profit for year	23,978	22,085			
	197,515	176,740		197,515	176,740
Transfer to reserve fund	14,000	11,000	Balance brought forward	8,361	4,926
Dividend	8,600	7,650	Operating profit for year	23,978	22,085
Balance carried forward	9,739	8,361			
	32,339	27,011		32,339	27,011

* Abridged format for information purposes only

Esanda Limited

Summary of the Consolidated Audited Accounts* as at 30th September, 1980

Balance Sheet as at 30th September, 1980

LIABILITIES	1980	1979	ASSETS	1980	1979
	\$'000	\$'000		\$'000	\$'000
Authorised capital: 100,000,000 ordinary shares of \$1 each	100,000	60,000	Deposits with Australia and New Zealand Banking Group Limited	6,144	2,811
Issued capital: 84,500,000 ordinary shares of \$1 each, fully paid	84,500	57,500	Deposits at call and short term investments	5,000	32,706
Capital reserve	146	146	Receivables, less provisions and less income yet to mature \$404,186,000 (1979 \$331,627,000)	1,686,483	1,407,157
General reserve	77,000	82,000	Premises and equipment	12,535	12,991
Balance profit and loss account	17,899	12,762	Other assets	690	782
	179,545	152,408			
Debenture stock	885,362	803,697			
Maturing within one year \$266,151,000 (1979 \$214,772,000)					
Unsecured notes and deposits	576,681	439,118			
Maturing within one year \$466,275,000 (1979 \$340,949,000)					
Provision for income tax	16,440	14,516			
Other liabilities	52,824	46,708			
	1,710,852	1,456,447		1,710,852	1,456,447

Profit and Loss Account for the year ended 30th September, 1980

Transfer to general reserve	15,000	17,000	Balance brought forward	12,762	10,950
Dividend	10,600	9,500	Profit for year	30,737	28,312
Balance carried forward	17,899	12,762			
	43,499	39,262		43,499	39,262

* Abridged format for information purposes only

ANZ Banking Group (New Zealand) Limited

Summary of the Consolidated Audited Accounts* as at 30th September, 1980

Balance Sheet as at 30th September, 1980

	1980	1979		1980	1979
	NZ\$'000	NZ\$'000		NZ\$'000	NZ\$'000
LIABILITIES			ASSETS		
Authorised capital: 100,000,000 ordinary shares of NZ\$1 each	100,000	100,000	Cash and short term funds	16,488	12,054
Issued capital: 44,434,000 ordinary shares of NZ\$1 each, less 229,800 shares uncalled	44,204	40,000	Treasury bills	28,700	46,780
Reserve funds	4,680	—	New Zealand Government Local Authority securities and other investments	356,197	281,345
Balance of profit and loss account	10,194	—	Cheques in course of collection and balances with other banks	4,188	12,163
	59,078	40,000	Loans and advances	1,154,785	976,189
Loan funds	20,000	20,000	Bills receivable and remittances in transit	84,883	111,276
Deposits	1,496,320	1,304,026	Deposit with Australia and New Zealand Banking Group Limited	—	8,321
Proposed final dividend	3,094	—	Bank acceptances	22,690	16,697
Provision for taxation	4,641	2,733	Premises and equipment	30,455	30,972
Due to other banks	39,113	40,360	Investment in associated companies	1,819	2,491
Bank acceptances	22,690	16,697	Loans to associated companies	3,709	3,653
Bills payable, other provisions and other liabilities	71,862	79,727	All other assets	12,884	8,369
Minority shareholders' interest in subsidiary companies	—	6,767			
	1,716,798	1,510,310		1,716,798	1,510,310
Liabilities under letters of credit, guarantees, etc.	109,579	100,320	Liabilities under letters of credit, guarantees, etc.	109,579	100,320
	1,826,377	1,610,630		1,826,377	1,610,630

Profit and Loss Account for the year ended 30th September, 1980

Expenses of management, including interest paid and accrued on deposits	182,612	141,255	Discount and interest earned, commission and other items	215,275	164,523
Income tax expense	15,287	12,073			
Operating profit for year	16,845	10,266			
Interests of minority shareholders and pre-acquisition profits	531	929			
	215,275	164,523		215,275	164,523
Transfer to reserve fund	1,715		Balance brought forward	—	
Dividend — interim	3,094		Operating profit for year	16,845	
— proposed final	3,094		Extraordinary items	1,252	
Balance carried forward	10,194				
	18,097			18,097	

Note: The 1979 comparative figures represent the balance sheet figures as at 1st October 1979, the effective formation date of ANZ Banking Group (New Zealand) Limited.

* Abridged format for information purposes only

Finance Corporation of Australia Limited

Summary of the Consolidated Audited Accounts* as at 30th September, 1980

Balance Sheet as at 30th September, 1980

	1980	1979		1980	1979
LIABILITIES	\$'000	\$'000	ASSETS	\$'000	\$'000
Authorised capital:	100,000	100,000	Liquid funds	6,378	33,770
Issued capital:	73,500	73,500	Investments	792	2,349
Accumulated losses	(13,776)	(22,112)	Receivables, less provisions and less income yet to mature \$173,997,000 (1979 \$201,568,000)	318,139	341,201
	59,724	51,388	Premises and equipment	1,770	1,917
Debenture stock Maturing within one year \$96,109 (1979 \$92,257)	246,823	292,773	Development ventures	14,548	25,014
Deposits and bills payable	33,245	58,985	Other assets	446	1,884
Provision for income tax	1	676			
Other liabilities	2,280	2,313			
	342,073	406,135		342,073	406,135

Profit and Loss Account for the year ended 30th September, 1980

Losses brought forward	22,112	—	Balance brought forward	—	5,740
Operating loss and extraordinary items for year	—	39,370	Operating profit and extraordinary items for year	8,336	—
Balance carried forward	(13,776)	(22,112)	Transfers from general and contingency reserves	—	11,518
	8,336	17,258		8,336	17,258

* Abridged format for information purposes only

Consolidated Statement of Source and Application of Funds

for the year ended 30th September, 1980

Source of Funds	1980 \$'000	1979 \$'000
Operating profit and extraordinary items	149,061	114,879
Increases in:		
Issued capital	11,716	—
Share premium reserve	25,785	—
Current, deposits and other accounts		
Deposits	1,437,165	617,224
Bills payable, provisions and other liabilities	79,246	173,547
Bank acceptances	150,998	289,600
Provision for income tax	14,087	19,539
Provision for long service leave	9,050	4,922
Borrowings by borrowing corporation subsidiaries	506,442	187,690
Due to other banks	376,965	84,864
Decreases in:		
Money at short call overseas	—	6,244
Loans to authorized dealers in Australian Short Term money market	—	85,330
Deposits with central banks overseas	1,008	—
Investments other than trade investments	—	32,004
Trade investments less amounts written off	—	223
Cheques in course of collection and balances with other banks	19,855	—
Bills receivable and remittances in transit	76,185	—
	2,857,563	1,616,066

Application of Funds

Dividend paid	37,355	29,173
Increases in:		
Notes, coin and cash at bankers	84,940	269
Money at call and short notice		
Loans to authorised dealers in Australian Short Term money market	87,580	—
Money at call overseas	18,863	—
Statutory reserve deposits with Reserve Bank of Australia	89,980	85,441
Deposits with Central Banks overseas	—	11
Investments other than trade investments	290,841	—
Loans and advances after provision for doubtful debts	2,044,367	519,443
Bills receivable and remittances in transit	—	155,501
Balances outstanding under hire purchase and other agreements	—	271,061
Premises and equipment	20,820	15,025
Bank acceptances and sundry accounts and other assets		
Bank acceptances	150,998	289,600
Trade investments at cost less amounts written off	861	—
Other assets	30,958	17,481
Cheques in course of collection and balances due to other banks	—	233,061
	2,857,563	1,616,066

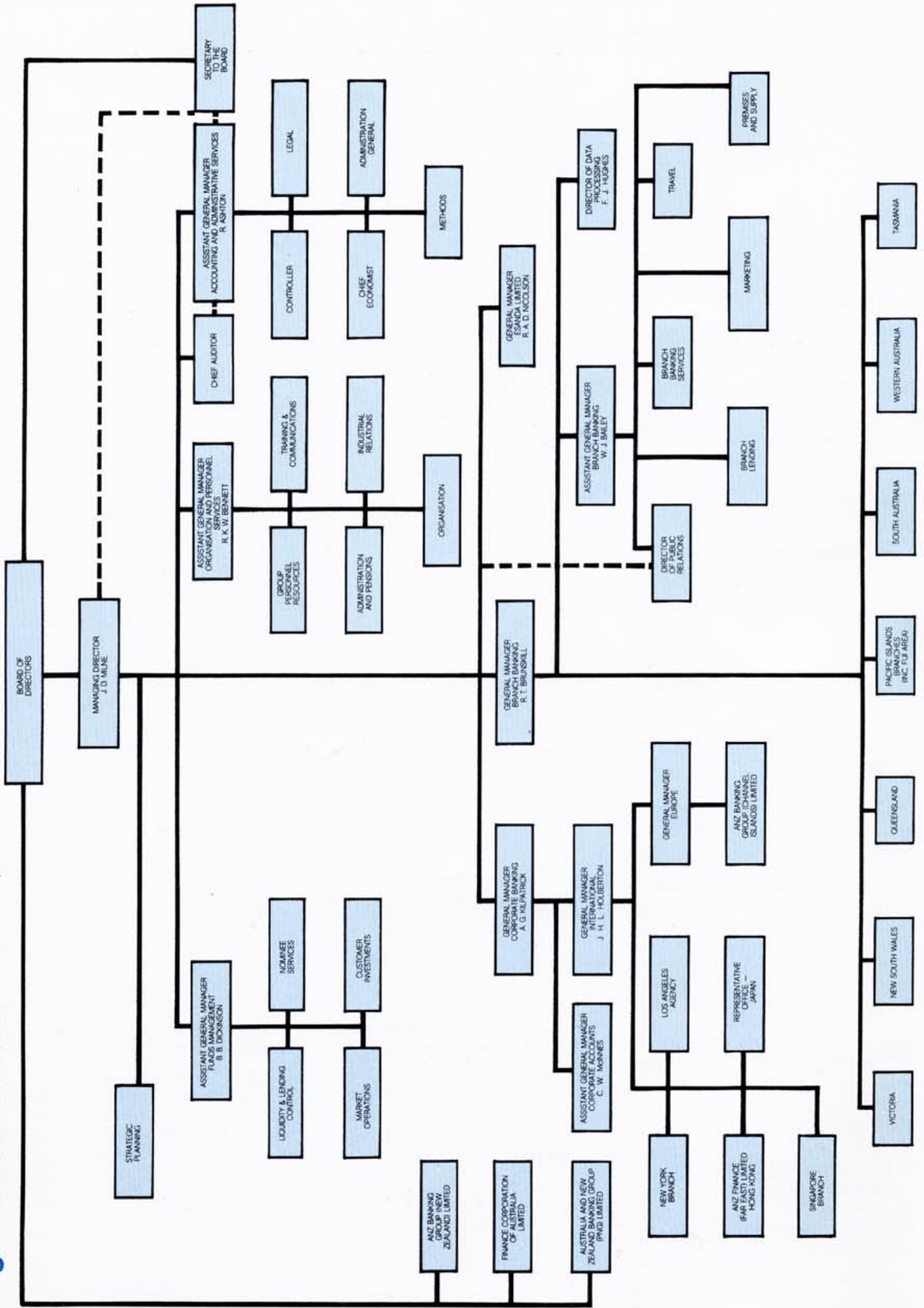
Spread of Assets, Branches and Staff at 30th September, 1980

	Assets %	Points of Representation	Staff Numbers
Australia	77.6	1,177	18,895
New Zealand	10.0	201	2,806
United Kingdom	7.6	2	606
United States of America	2.7	2	93
Papua New Guinea	0.4	9	176
Fiji	0.3	6	158
Vanuatu	0.1	1	36
Solomon Islands	0.1	1	37
Hong Kong	0.4	1	32
Singapore	0.8	1	25
Representative Office — Japan	—	1	5
TOTAL	100.0	1,402	22,869

Trading Bank in Australia Deposits and Advances Classified by Industry at July, 1980

	Total Deposits*		Total Lending	
	1980	1979 %	1980	1979 %
Agriculture, pastoral and dairying	5.02	5.79	10.03	10.14
Manufacturing	4.47	4.49	15.30	14.34
Transport	1.34	1.22	1.66	1.71
Finance	6.99	8.39	6.90	7.11
Commerce	5.37	5.59	14.10	14.07
Building	2.30	2.35	2.70	4.89
Other business, including mining	16.36	16.71	16.07	16.91
Public authority	2.37	5.42	0.33	0.35
Persons	45.63	40.34	32.27	30.09
Non-profit organisations	4.00	4.60	0.38	0.37
Government accounts	3.22	3.80	—	—
Non-residents	2.93	1.30	0.26	0.02
* excluding certificates of deposit.	100.00	100.00	100.00	100.00

Organisation Structure as at December, 1980



Senior Management

Managing Director

J. D. Milne

General Managers

Branch Banking:

R. T. Brunskill

Corporate Banking:

A. G. Kilpatrick

Assistant General Managers

Accounting and Administrative Services:

R. Ashton

Branch Banking:

W. J. Bailey

Organisation and Personnel Services:

R. K. W. Bennett

Funds Management:

B. B. Dickinson

General Manager, International:

J. H. L. Holberton

Director of Data Processing:

F. J. Hughes

Corporate Accounts:

C. W. McInnes

General Manager, Esanda:

R. A. D. Nicolson

State Manager, N.S.W.:

M. T. Sandow

Western Australia

Administrative Offices:

*84 St. George's Terrace, Perth

State Manager: C. J. McCubbing

Tasmania

Administrative Offices:

*86 Collins Street, Hobart

State Manager: N. R. Frost

Northern Territory

Main Banking Office:

43 Smith Street, Darwin

Manager: J. C. Hammer

New Zealand

ANZ Banking Group (New Zealand) Limited

Administrative Offices:

*3rd Floor, Dominion Building,

27-35 Mercer Street, Wellington

General Manager: D. Nicolson

United Kingdom

Administrative Offices:

*71 Cornhill, London, EC3V 3PR

General Manager – Europe: T. G. Williams

United States of America

New York Branch — 63 Wall Street

Senior Vice President: C. R. Pleydell

Los Angeles Agency — 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: M. J. French

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

Vanuatu — 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

Singapore

Branch:

Suite 601, Sixth Floor, Ocean Building,

Collyer Quay, Singapore 1

Chief Manager: P. H. Peate

Japan

Representative Office:

Room 1109, New Yurakucho Building,

12-1 Yurakucho, 1-Chome,

Chiyoda-ku, Tokyo

Representative: N. J. Glass

Principal Establishments

Victoria

Administrative Offices:

287 Collins Street, Melbourne

State Manager: K. R. Porter

*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

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

South Australia

Administrative Offices:

*75 King William Street, Adelaide

State Manager: A. G. Wiltshire

* Offices at which Share Registries maintained.

Analysis of Shareholdings

Directors' Shareholding Interests

	Beneficial As at 21st October, 1980	Non-beneficial As at 21st October, 1980
Sir Ian McLennan	9,547	—
J. D. Milne	2,850	—
E. H. Burgess	362	—
D. C. L. Gibbs	2,500	—
C. J. Harper	—	—
W. J. Holcroft	1,757	—
Sir John Holland	—	—
L. M. Muir	1,757	—
G. M. Niall	—	—
*L. M. Papps	—	—
The Right Hon. Lord Remnant	1,592	—
Sir William Vines	1,250	—
	21,615	—

There were no changes in directors' shareholding interests in the Company between 21st October, 1980 and 26th November, 1980.

*In addition, Mr. L. M. Papps has a beneficial interest in 1,500 shares in a related company, ANZ Banking Group (New Zealand) Limited.

Average Size of Shareholding as at 14th November, 1980

3,841

(1979 5,123)

Holdings	Shareholders		Shares	
	No.	%	No.	%
1 to 1,000	22,581	62.7	9,498,812	6.9
1,001 to 5,000	11,652	32.3	23,180,976	16.7
5,001 to 10,000	1,015	2.8	6,958,171	5.0
Over 10,000	804	2.2	98,824,645	71.4
	36,052	100.0	138,462,604	100.0

Twenty Largest Shareholders

As at 14th November, 1980, the twenty largest shareholders held 51,221,699 shares which is equal to 37.0% of the total issued capital of 138,462,604 fully paid shares of \$1 each. They were:—

Shareholders	No. of Shares	%
A.N.Z. Nominees Limited G.P.O. Box 2842AA Melbourne 3001	10,268,162	7.4
Australian Mutual Provident Society 535 Bourke Street Melbourne 3000	8,032,666	5.8
C.T.B. Nominees Limited Sydney Account C/- The Registrar Commonwealth Trading Bank of Australia Box 4122 Sydney N.S.W. 2001	8,024,297	5.8
National Nominees Limited P.O. Box 84A Melbourne 3001	3,838,836	2.8
The National Mutual Life Association of Australasia Limited 447 Collins Street Melbourne 3000	2,873,389	2.1
Bank of New South Wales Nominees Pty Limited The Wales House 66 Pitt Street Sydney N.S.W. 2000	2,788,059	2.0
The Pearl Assurance Co. Limited High Holborn London WC1	1,606,871	1.2
Nenom and Company Inc. Care New England Merchants National Bank of Boston One Washington Mall Boston Massachusetts U.S.A. 02108.	1,503,750	1.1
Legal and General Assurance Society Limited Temple Court 11 Queen Victoria Street London EC4	1,442,598	1.0
Government Insurance Office of New South Wales 60-70 Elizabeth Street, Sydney N.S.W. 2000	1,439,452	1.0
The Mutual Life and Citizens Assurance Co. Ltd 44-46 Martin Place Sydney N.S.W. 2000	1,099,590	0.8
Colonial Mutual Life Assurance Society Limited 330 Collins Street Melbourne 3000	1,086,846	0.8
Eagle Star Insurance Company Limited 'H' Account 1 Threadneedle Street London EC2R 8BE	1,054,686	0.8
Midland Bank (Head Office) Nominees Limited 27-32 Poultry London EC2	1,000,000	0.7
Manufacturers Mutual Insurance Limited 4th Floor 60 York Street Sydney N.S.W. 2000	915,743	0.7
Provident and Pensions Holdings Pty Limited G.P.O. Box 872K Melbourne 3001	867,441	0.6
Nauru Phosphate Royalties Trust Nauru House 80 Collins Street, Melbourne 3000	854,323	0.6
T & G Mutual Life Society Limited Corner Russell and Collins Street Melbourne	845,591	0.6
Pendal Nominees Pty Limited 40th Level Tower Building Australia Square Sydney N.S.W. 2000	842,857	0.6
Williams & Glyns Bank Limited "B.E.B." Account 20 Birch Lane London EC3P 3DP	836,542	0.6
	51,221,699	37.0%

Voting Rights of Shareholders

The articles provide for:

on a show of hands: 1 vote

on a poll: 1 vote for each share held

Group Services

The main activities of companies in the Group are trading and savings banking, hire purchase and general finance, mortgage and instalment loans, leasing, investment and portfolio management, nominee and custodian services, travel services and international banking. These activities involve provision of the following services:

Personal

- Cheque accounts
- High interest deposit accounts
- Passbook savings accounts
- Trust accounts
- Zodiac Savers' Plan
- Christmas Club
- Home Savers' Club
- Personal loans/overdrafts
- Loans for housing
- Loans for semi-government instrumentalities, municipal bodies and schools
- Bankcard
- Overseas 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 subsidiary companies
- Investment of short, medium and long term funds
- Banker to public loans and share issues

General Finance – Esanda, FCA in Australia, UDC in New Zealand

- Leasing, hire purchase and instalment credit finance for motor vehicles, trucks, industrial plant and machinery, forestry and agricultural equipment, computers, office equipment, domestic goods, caravans
- Leveraged leasing and leasing of livestock (Australia only)
- Personal loans, housing loans
- Real estate/bridging finance for investors, developers, builders and business undertakings
- Business loans for expansion projects or working capital
- Discounting of mortgages and contracts of sale
- Import and export finance, overseas loan negotiations (NZ only)
- Merchant bank facilities (NZ only)
- Property development

