



**Australia and New Zealand
Banking Group Limited**

Annual Report

1982



Australia and New Zealand Banking Group Limited

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Notice of Meeting

The annual general meeting will be held at the 46th Floor, ANZ Tower, 55 Collins St., Melbourne at noon on Monday, 17th January, 1983. Further information about the meeting is contained in a separate Notice of Meeting, enclosed with this report.

A summary of the Chairman's address to the annual general meeting will be published in The Australian Financial Review and The Australian on 18th January, 1983. Copies of the address will be available from:

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

A copy of the Bank's 1982 Report to Staff is available to any shareholder on request to any of the three points listed above.

Financial Calendar

Results

First half:	Announced 17th May, 1982
Full year:	Announced 15th November, 1982
Annual Report:	Circulated 17th December, 1982
Annual General Meeting:	To be held in Melbourne on 17th January, 1983

Dividends

Interim:	Announced 17th May, 1982 Paid 1st July, 1982
Recommended final:	Announced 15th November, 1982 To be paid 27th January, 1983

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 Year in Brief

Group operating profit increased by 2.9 per cent to \$180.5 million.

Dividend payments will total \$58.5 million.

Group shareholders' funds passed \$1,000 million and group assets exceed \$20,000 million.

Changes made to the senior management structure to provide a more effective organisational framework for future expansion.

34 additional points of representation opened in Australia and New Zealand.

Automated telling machines introduced in Australia and New Zealand.

International banking facility established at Los Angeles branch.

ANZ Finance (Far East) Ltd upgraded to a licensed deposit taking company in Hong Kong.

Substantial city property purchased in Adelaide for eventual relocation of the South Australian administration offices.

Financial Highlights

	1982	1981	% Change
For the years ended 30th September (\$'000)			
Group operating profit	180,472	175,395	+ 2.9
Including			
— Australian Trading Bank (excluding dividends)	71,455	78,283	— 8.7
— Australian Savings Bank	28,462	27,802	+ 2.4
— New Zealand Group (excluding minority interests)	20,580	16,084	+28.0
— Esanda	37,905	33,885	+11.9
— Finance Corporation of Australia	13,509	12,750	+ 6.0
Group operating profit and extraordinary items	187,849	204,642	— 8.2
Dividends paid	58,513	53,463	+ 9.4
Number of times dividend covered by profits	3.08	3.28	
Return on shareholders' funds	17.0%	18.9%	
Per share			
Dividend — declared rate	28.0¢	28.0¢	
Earnings on capital at end of year	86.3¢	84.2¢*	
Net assets on capital at end of year	\$5.08	\$4.45*	
At year end (\$'000)			
Issued capital	209,141	173,693	+20.4
Shareholders' funds	1,062,822	928,182	+14.5
Total external liabilities	19,643,736	15,820,116	+24.3
Ratio of external liabilities to shareholders' funds	18.5:1	17.0:1	
Total assets	20,729,037	16,763,392	+23.7
The organisation			
Number of shareholders	40,452	37,462	
Number of employees	24,393	23,778	
Points of representation	1,414	1,392	

*Adjusted for bonus issue

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, 1982 group assets totalled \$20,729 million.

Australia and New Zealand Banking Group Ltd. was incorporated in October, 1969 to facilitate the merger of the ANZ and ES&A Banks. The merger became effective in October, 1970. ANZ Bank had itself resulted from the merger in 1951 of 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 transferred its domicile from England to Australia in 1976. At the time of the transfer only about three per cent of the company's shares were registered in Australia, although the majority of ANZ business was conducted there. Today, about 72 per cent of the shares are registered in Australia, with 27 per cent in the United Kingdom and one per cent in New Zealand.

The Bank has 1,414 points of representation around the world. World-wide staff total 24,393 of whom 20,098 are in Australia.

The Bank is proud of the contribution it has made to the economic development of Australia and New Zealand over nearly 150 years. Today, there are 1,386 ANZ points of representation throughout the two countries. In New Zealand the business is conducted through a locally incorporated subsidiary in which the public has a 25 per cent interest.

There are substantial banking operations in the United Kingdom, USA, 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 Group Holdings (UDC) in New Zealand. Other financial services include travel, general insurance agency, investment, nominee and Bankcard. Merchant banking facilities are provided through the 40 per cent-owned affiliate, Australian International Finance Corporation (AIFC) in Australia and through the subsidiary company UDC Mercantile Securities in New Zealand. The Bank has links with correspondent banks throughout the world.

The Company's Objectives

The basic objective of Australia and New Zealand Banking Group Ltd. 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 is of the highest order
- 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, equipment, 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.



Seated, (from left to right): R. T. Brunskill, C. J. Harper, Sir William Vines, W. J. Holcroft, E. H. Burgess. Standing (from left to right): Sir James McNeill, L. M. Papps, J. D. Milne, G. M. Niall, D. C. L. Gibbs, Sir Laurence Muir. Absent: M. D. Bridgland, A. G. Kilpatrick.

Sir William Vines, C.M.G. Chairman

Sir William is chairman of Associated Pulp and Paper Mills Ltd., the Sir Robert Menzies Memorial Trust and the Hawkesbury Agricultural College Council. He is deputy chairman of Tubemakers of Australia Ltd., and a director of Dalgety Australia Ltd. and Conzinc Riotinto of Australia Ltd. He is a member of the Economic Advisory Committee to the Commonwealth Government. He is based in Sydney and farms in the New England area of N.S.W. Aged 66; a director since October, 1976 and chairman since January, 1982.

J. D. Milne Managing Director

Mr Milne has had 42 years' experience in banking. He is on the boards of the Bank's main subsidiaries. He is also a member of the Australian Manufacturing Council, the Science and Industry Forum and the executive of the Australia-Korea Business Co-operation Committee and is treasurer of The Baker Institute. Aged 60; a director since April, 1980 and managing director since November, 1980.

M. D. Bridgland

Mr Bridgland is chairman and managing director of ICI Australia Ltd. He is also chairman of Dulux Australia Ltd. and a director of Nylax Corporation Ltd. and the Australian Institute of Petroleum Ltd. He is vice-president of the Australian Industries Development Association. Aged 60; a director since February, 1982.

R. T. Brunskill

Mr Brunskill joined the Bank in 1940 and was appointed a chief general manager in August, 1982. He is deputy chairman of Primary Industry Bank of Australia Ltd., chairman of ANZ Banking Group (PNG) Ltd. and a director of the Bank's other main subsidiaries. Aged 58; a director since October, 1981.

E. H. Burgess, O.B.E.

Mr Burgess is a chartered accountant and lives in Adelaide. He was a director of The Bank of Adelaide from 1974 until September, 1980. He is chairman of Bennett & Fisher Limited 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 and Agency Co. of South Australia Ltd. Group. Aged 66; a director since February, 1980.

D. C. L. Gibbs

Mr Gibbs is executive chairman of Baillieu Bowring Marsh & McLennan Pty. Ltd., insurance brokers. He is also chairman of Gibbs Bright and Co. Pty. Ltd. and BGJ Holdings Pty. Ltd. and is a director of other Australian companies and the London merchant bank, Antony Gibbs Holdings Ltd. Aged 55; a director since February, 1979.

C. J. Harper

Mr Harper is chairman of Humes Ltd. and Vickers Australia Ltd., and a director of several other companies, including Associated Pulp and Paper Mills Ltd., Carlton and United Breweries Ltd., IZ Industries Ltd., Dulux Australia Ltd. and IBM Australia Ltd. Aged 51; a director since October, 1976.

W. J. Holcroft, A.O.

Mr Holcroft retired in 1982 as chief executive and a director of Peko-Wallsend Ltd. His directorships include Australian Wool Corporation, Energy Resources of Australia Ltd., Caltex Australia Ltd., The Commonwealth Industrial Gases Ltd. and Royal Prince Alfred Hospital (Sydney). His background is in finance and accountancy. He lives in Sydney. Aged 60; a director since October, 1976.

A. G. Kilpatrick

Mr Kilpatrick joined the Bank in 1941 and was appointed a chief general manager in August, 1982. He is chairman of Australian International Finance Corporation Ltd., the 40 per cent ANZ-owned merchant bank affiliate, and a director of the Bank's main subsidiaries. He is also a director of the Australian Resources Development Bank Ltd. Aged 58; a director since October, 1981.

Sir James McNeill, C.B.E.

Sir James is chairman of Broken Hill Proprietary Co. Ltd., North West Shelf Development Pty. Ltd. and Tubemakers of Australia Ltd. He is deputy chairman of Woodside Petroleum Ltd. Sir James also serves on a number of committees, including the Economic Advisory Committee to the Commonwealth Government and the Australian Manufacturing Council. Aged 66; appointed a director in October, 1982.

Sir Laurence Muir

Sir Laurence retired in 1980 as senior partner of Potter Partners. His directorships include Alcoa Australia Ltd., A.C.I. International Ltd., Commercial Union Assurance Co. of Australia Ltd., Herald and Weekly Times Ltd., Wormald International Ltd. and Alex Harvey Industries Ltd. Sir Laurence serves on several Government bodies and a number of charitable and community organisations. Aged 57; a director since August, 1980.

G. M. Niall

Mr Niall 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., Commonwealth Mining Investments (Australia) Ltd. and Engelhard Industries Pty. Ltd. His other directorships include Elders IXL Ltd., L.M. Ericsson Pty. Ltd., Volvo Australia Pty. Ltd. and Renison Goldfields Consolidated Ltd. Aged 66; a director since October, 1976.

L. M. Papps

Mr Papps 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 ANZ Banking Group (New Zealand) Ltd., U.E.B. Industries Ltd., Dalgety New Zealand Ltd., Emco Group Ltd., Odilins Ltd. and New Zealand Railways Corporation. His other directorships include N.Z. Forest Products Ltd. and The National Mutual Life Association of Australasia Ltd. in New Zealand. Aged 63; a director since October, 1976.

Unless otherwise stated directors live in Melbourne.

Chairman's Report

Recession in the major world economies, combined in Australia with substantial cost increases and official restraints on bank activities, adversely affected ANZ's results in 1981-82.

The group profit of \$180.5 million was 2.9 per cent higher than the 1980-81 figure of \$175.4 million — the lowest rate of increase for nine years.

However, considering the range of factors which depressed profitability I believe it was a creditable result.

Although the Bank's rate of profit growth has slowed, our overall profitability is satisfactory, while earnings per share at 86.3 cents have again increased. Shareholders have also benefited from four bonus issues in the last four years. Our earnings record compares favourably with those of our main competitors.

The level of profits obviously dictates our capacity to pay dividends. It is gratifying that the Bank's strong profit growth in recent years has permitted regular dividend increases.

Again this year shareholders will receive higher dividend income. The recommended 28¢ share distribution will require \$58.5 million, a 9.4 per cent increase on the 1980-81 distribution.

Staff will again be well rewarded for the important part they play in maintaining ANZ's progress. Provision has been made for a \$9.6 million allocation this year under the staff profit sharing scheme, compared with payments of \$11.2 million in 1981. The reduction in amount is due to the increased level of shareholders' funds to be serviced and the higher level of personnel costs.

I mentioned earlier that costs rose substantially in the latest year. Personnel costs, always a major item in a labour-intensive industry like banking, rose 19.4 per cent to \$444 million, while interest paid, our biggest single cost, jumped by 55.6 per cent to \$1,707 million.

The sharp increase in interest paid reflects the record level of interest rates in Australia in 1981-82. This, in turn, was a by-product of the official policy of reducing the growth of money and credit.

ANZ recognises that containing inflation is one of Australia's highest economic priorities and that official policies must be tailored to achieve this objective. However we believe the natural workings of the money markets were distorted when the Government during 1981-82 sharply increased interest rates on its own securities and simultaneously, by a combination of official decree and moral suasion, prevented all banks from increasing their rates to competitive levels.

If bank deposit and thus lending rates are held at artificially low levels while interest rates are rising, it stands to reason that there is less scope for banks to lower their rates when the interest rate trend is downwards.

Last year we were critical of the quantitative controls on trading bank lending which continued to operate for most of the year under review. From July, 1982, however, these controls were removed and control of bank lending now is being exercised by reliance on more general policy techniques.

Our bank welcomes this change as it encourages greater competition among banks for deposits to support their desired levels of lending.

We believe the new basis of monetary management will help banks to develop their business in a more competitive environment and, in the longer term, improve the efficiency of monetary policy.

We also commend the authorities for progressively reducing restrictions on savings banks. These changes, detailed later in this report, can only enhance the ability of savings banks to attract deposits and fulfil their important but recently somewhat diminished role as major providers of relatively low cost housing finance.

It is encouraging that the Government is showing a willingness to accept a financial system with less emphasis on direct controls. This is in line with the recommendations of the Committee of Inquiry into the Australian Financial System (Campbell Committee), the broad thrust of which this bank supports.

Greater freedom for banks, which are the cornerstone of the financial system, is basic to the development of an increasingly de-regulated environment.

Similarly, the new tender system for selling Treasury Bonds and new arrangements for selling Australian Savings Bonds places greater emphasis by the authorities on the use of market forces, rather than direct controls, in achieving monetary policy objectives.

The Government is still considering several key recommendations of the Campbell Committee, including the possible entry of new participants to the banking system. Our attitude on this matter has not changed — we have no concern about meeting competition, provided it is on equal terms and provided full de-regulation of the industry is effected as a pre-requisite. This of course, was the basis on which the Campbell Committee's recommendations for the licensing of foreign banks were made. Our bank is well placed to meet and adapt to any changes flowing from the Committee's recommendations in this area.

I now want to refer briefly to the economic outlook, which at present is most discouraging, both in an Australian and world context.

The Australian economy entered recession towards the end of 1981, about two years later than most Western nations. Unfortunately recovery in Australia also is likely to lag behind any upturn in world demand.

The recession overseas is proving to be deeper and more protracted than generally expected. However, recently several hopeful signs have emerged. Interest rates in the United States have started to turn down, the average inflation rate of the major Western economies has been falling steadily and world energy prices have been stable for some months.

Even allowing for a continuation of these trends, little improvement can be expected in Australia's economic condition before late 1983 or early 1984. According to the 1982-83 Federal Budget no increase in non-farm output is likely this financial year.

Australia's cost structure is still generally moving out of line with those of our main trading partners. In particular, our prices and wages are rising faster than in many of these nations. This is adversely affecting our export performance and helping to widen the balance of payments current account deficit.

The effects of the drought, including poor financial returns in the rural sector, represent further barriers to sustained improvement in the short term. On balance, the immediate economic outlook provides little cause for optimism. To an extent, the Bank's fortunes reflect the state of the main economies we operate in, so the period ahead will continue to present us with challenges.

Since I succeeded to the position of Chairman of the Board, I have looked at the Bank's operations in some detail in every state in Australia and also New Zealand, PNG, the Far East, London and the USA.

In the course of these visits I have called on many branches, large and small, and have been most favourably impressed by all that I have seen and sensed. Management everywhere and the staff down to the newest recruit are enthusiastic, highly professional and keenly aware that we are engaged in a most competitive business in which efficiency and a high standard of service to the customer are essential to our continuing success.

We are most fortunate, too, in our top management team under the leadership of Mr. John Milne. To them and to our staff everywhere in the world, I give the thanks of the board and shareholders for an excellent trading result achieved under difficult conditions.

 Chairman

Review of Operations

The Year's Results

Consolidated operating profit for the year to 30th September, 1982, excluding extraordinary items and minority interests, was \$180.47 million, an increase of 2.9 per cent on the 1981 result of \$175.39 million. Including extraordinary items totalling \$7.38 million (\$29.25 million in 1981), consolidated profit was \$187.85 million, compared with \$204.64 million in 1981.

Consolidated profit came from the following sources.

	1982 \$'000	1981 \$'000	% change
Australian Trading Bank	71,455	78,283	- 8.7
Australian Savings Bank	28,462	27,802	+ 2.4
New Zealand Group	20,580	16,084	+28.0
Esanda Ltd.	37,905	33,885	+11.9
Finance Corporation of Australia Ltd.	13,509	12,750	+ 6.0
ANZ Finance (Far East) Ltd.	4,671	2,831	+65.0
Australia and New Zealand Banking Group (PNG) Ltd.	1,394	1,539	- 9.4
Other subsidiary companies	2,496	2,221	+12.4
Consolidated operating profit	180,472	175,395	+ 2.9
Extraordinary items	7,377	29,247	-74.8
Consolidated profit	187,849	204,642	- 8.2

The major adverse factor impacting on group results was the downturn in profitability of the parent trading bank. This situation is a reflection of the extremely difficult operating conditions which prevailed in Australia for the greater part of the year. A combination of official controls on asset growth, liquidity pressures within the banking system, reduced interest rate margins and increases in operating costs acted to depress Australian trading bank profits.

The Australian savings bank continued to be affected by intense competition for deposit funds and by official interest rate controls on housing loans, which represent a significant proportion of its income earning base.

The Australian general finance subsidiaries, Esanda Ltd. and Finance Corporation of Australia Ltd., both recorded satisfactory results under very competitive conditions.

All sections of our New Zealand operations recorded another excellent year, with strong growth in business volumes and profitability. Operations elsewhere overseas have made satisfactory contributions to the overall result.

Extraordinary items for the year totalled \$7.377 million, representing mainly profits on sale of surplus properties. This is lower than the 1981 level of \$29.247 million, which included a number of substantial property disposals following The Bank of Adelaide merger and rationalisation of the group's London operations.

The following table shows the composition of the group's income and expenses for the last two years.

	1982 \$'000	%	1981 \$'000	%
Income				
Interest received	2,418,257		1,729,148	
Less interest paid	1,707,095		1,097,023	
Net interest received	711,162	65.5	632,125	65.9
Commission and other income (including extraordinary items)	375,016	34.5	327,143	34.1
Total income	1,086,178	100.0	959,268	100.0
Expenses				
Salaries	328,785	30.2	266,380	27.8
Other personnel expenses	114,516	10.5	105,996	11.0
Building occupancy expenses	83,218	7.7	63,928	6.7
Other expenses	231,099	21.3	169,265	17.6
Total expenses	757,618	69.7	605,569	63.1
Income tax	133,555	12.3	143,416	15.0
Dividends	58,513	5.4	53,463	5.6
Minority shareholders' interests	7,155	0.7	5,641	0.6
Retained earnings (including reserves)	129,337	11.9	151,179	15.7
Total	1,086,178	100.0	959,268	100.0

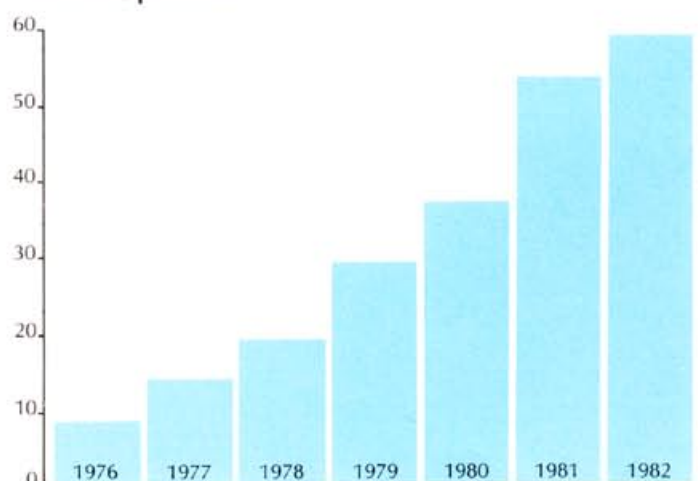
Dividends

Directors recommend that a final dividend of 14 cents per share be paid to shareholders registered in the books of the company at the close of business on 5th January, 1983. The dividend will be payable on 27th January, 1983.

An interim dividend of 14 cents per share was paid on 1st July, 1982.

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 5th January, 1983.

Dividends paid (\$m)



The Banking Environment

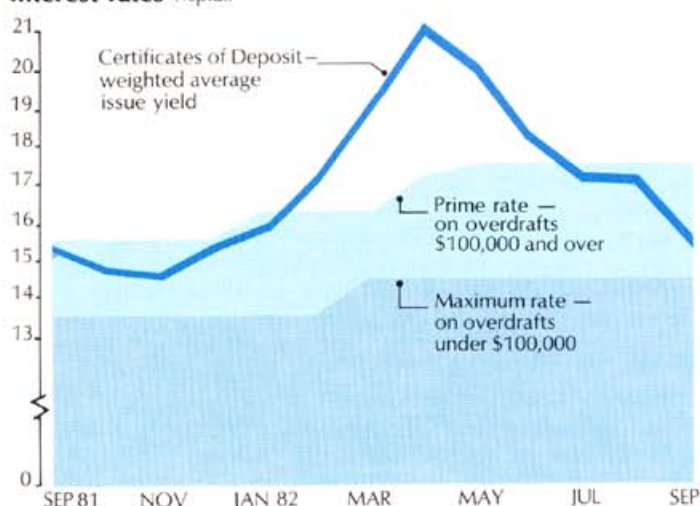
Monetary conditions in Australia were tight during the year under review, reflecting the official policy of restricting the growth of money supply and slowing the rate of inflation. In line with this policy, banks were required to observe quantitative controls on their lending growth. In the year to June, 1982, loan outstandings of the major trading banks grew by 12.1 per cent, compared with the official guideline of 12.0 per cent. Quantitative lending controls were removed from the end of June, 1982. While this change helped banks to adopt a more market-oriented approach, the retention of some lending interest rate controls continued to limit banks' ability to attract deposit funds at a reasonable margin below ruling lending rates.

In the March-April, 1982 seasonal tax drain period, interest rates on bank loans were substantially lower than comparable rates in the market place. This resulted in exceptionally high usage of overdraft limits during the June quarter. To fund these demands banks had to compete aggressively in the market place for increasingly costly deposit funds.

As evidence of the tightness of liquidity during the year ANZ's average holdings of liquid assets and government securities (LGS ratio) was 19.1 per cent — about 1.5 per cent lower than in the previous year.

Heavy capital inflow from overseas during May, 1982 halted the upwards movement in money market rates and marked the start of a downwards trend in rates.

Interest rates (%p.a.)

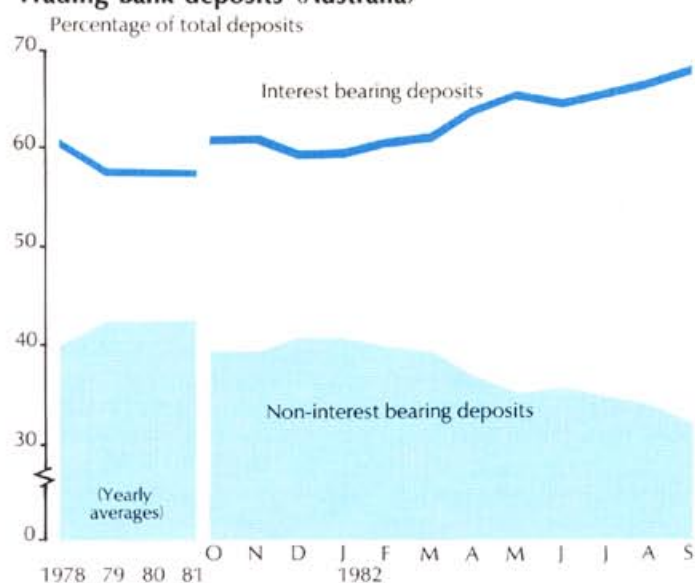


Trading Bank in Australia

Total ANZ trading bank deposits averaged \$5,929 million for the year to September, 1982. This was 12.6 per cent more than in the previous year.

During the year, an increasing interest rate consciousness in the community, spurred by rising interest rates, resulted in a sharp shift in deposits from current not bearing interest to term deposits. On a September year average basis, current not bearing interest deposits made up 36.8 per cent of ANZ's trading bank deposits in 1981-82, compared with 42.4 per cent in 1980-81. This shift put considerable pressure on margins. The high growth rate in ANZ's total term deposits (25.3 per cent increase in the year to September average) was boosted by substantial private capital inflow and the need for ANZ to maintain adequate liquidity to support its lending.

Trading Bank deposits (Australia)



Savings Bank in Australia

Deposit growth by savings banks in the year under review was dampened by their inability to offer competitive interest rates.

ANZ's average savings deposits for the year to September grew by only 5.5 per cent to \$2,439 million, well below the Bank's 8.1 per cent deposit increase in the previous year.

On a September year average basis ANZ's share of all savings bank deposits fell from 10.12 per cent to 9.93 per cent.

The modest deposit growth in the latest year was achieved only through the introduction of high interest at-call accounts. ANZ Access Accounts experienced strong growth in the year to 30th September, 1982.

Following the announcement of a government housing package in March, 1982, ANZ Savings Bank introduced a new lending policy for housing loans. This gives us greater flexibility in tailoring repayment programmes to meet individual needs.

Changes in savings bank regulations took effect from 31st August, 1982. These eased liquidity and investment restrictions and allowed savings banks to accept deposits from the business sector.

It is to be hoped that these changes will enhance the banks' capacity to attract deposits and to fulfil properly their important role as the community's major source of low cost housing finance.

Retail Banking

Aggressive and imaginative marketing has been an integral part of the drive to maintain and improve ANZ's penetration of the retail banking market. In August, 1982, the Bank started a major promotional campaign under the theme "It's worth the change to ANZ". The campaign features extensive television advertising, supported by posters on public transport.

Representation

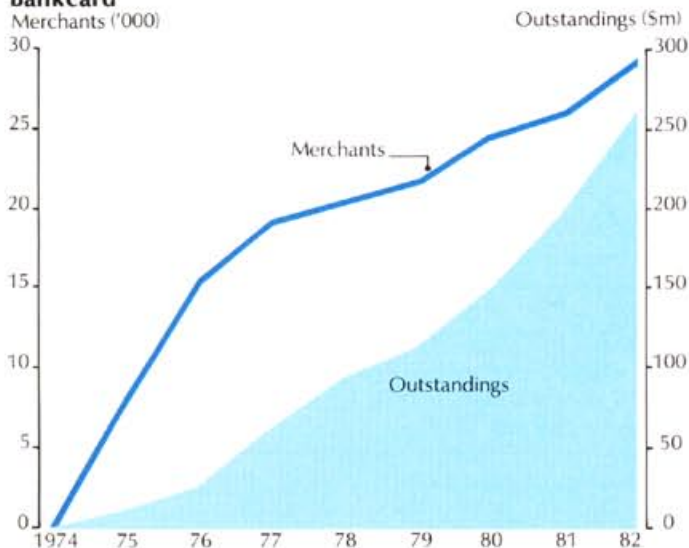
Recognising the importance of maintaining its competitive position in the personal and small business markets, the Bank was particularly active in extending its Australian branch network in 1981-82. Further new branches will be opened in the current year where opportunities exist for ANZ to cater profitably for its growing customer demands.

During the past year 18 new branches and 11 new service centres were opened. A further six points previously operating as sub units were upgraded to full branch status and six points were upgraded to service centre status. Eleven branches were closed where there was dual representation. Further representation details are shown on page 14.

Bankcard

Bankcard occupies an important place among ANZ's package of retail banking services. Over the past year our Bankcard activities have continued to grow, with cardholders increasing by 11.5 per cent to 617,501 and merchant outlets by 9.9 per cent to 28,831.

Bankcard



Profitability of our Bankcard operation has been adversely affected by the substantial increase in the cost of funds employed. Since 1980, this cost has risen by more than 25 per cent, while the credit charge has not changed from the 18 per cent annual rate established in 1974 when Bankcard was launched.

Several initiatives have been taken to improve the adverse income trend. These include the promotion of cash advances in our branches and through the Night & Day Bank facility. In addition, we have started a direct mail selling campaign which has broken new marketing ground among the banks offering Bankcard.

Electronic banking

Another aspect of our programme of continually improving retail banking services is the increasing use of electronic facilities. To date the most tangible evidence of this trend has been the introduction of automated telling machines (ATM's).

In April, 1982 ANZ launched its first 26 ATM's — under the name Night & Day Bank — in Victoria. By 30th September there were 81 Night & Day Bank units around Australia. The Western Australian launch in November, 1982 will bring the Australia-wide total to 95 units by the end of 1982.

The convenience of seven-days-a-week service and extended hours of operation have given a new dimension to our retail banking services. The number of Night & Day Bank cardholders and the average number of transactions per machine have already exceeded expectations.

ANZ is carefully monitoring development in electronic banking to ensure that our customers continue to enjoy the advantages it offers. Planning is well advanced towards introducing a network comprising the latest proven intelligent teller terminals at branches throughout Australia. This will improve customer service and allow instant access to computer files by staff. A large scale pilot programme will be launched in the first half of 1983.

Substantial investment is needed to establish a comprehensive electronic banking system and there are long lead times between planning and introducing new facilities. However the Bank believes this expense is necessary to ensure that it remains an industry leader in providing competitive and cost effective retail banking services to its customers.

Travel

Travel is another of our retail banking services which has become extensively computerised, both in the area of reservations and in accounting and management information systems.

During the past year ANZ Travel continued to expand, with a 26 per cent increase in sales to \$73 million. Our 46 centres employ about 300 staff.

Management Services

Communications/Methods

With the advent of electronic funds transfer mechanisms, electronic mail and improved office systems, telecommunications is becoming an increasingly important aspect of banking.

Recognising this, in 1981 the Bank established a separate communications department to co-ordinate the development of a cost-effective communications system.

The new department is developing a telecommunications network plan to meet the Bank's short and long term needs. This should produce significant savings in future telecommunications costs.

Our Methods Department also is working to introduce new and improved systems to the Bank and to achieve improved productivity.

Records management and micrographics units have been set up to achieve improved records management procedures. A "shared resource" word processing system has been installed at administrative headquarters and work study surveys in all areas of the Bank are continuing.

Premises

In June, 1982 the Bank bought for \$14 million the Royal Insurance Building at 13 Grenfell Street, Adelaide. This purchase gives us the option of eventually locating all our South Australian administrative functions in this one building. A prime Melbourne development site has been acquired with the purchase of four properties by the Bank and the ANZGROUP (Australia) Staff Pension Fund. The site has frontages to Queen Street, Little Collins Street and Briscoe Lane, adjoining the rear of our 380/388 Collins Street buildings. The form and timing of site development is yet to be decided.

Corporate Banking

With Australian financial markets experiencing substantial changes the Bank has been conscious of the need to review continually its corporate banking policies and procedures to maintain its traditional pre-eminence in this area. Initiatives taken in 1981-82 included:

- formation of a management advisory services section at our administrative headquarters to provide specialist advice to corporate customers on matters including cash flow management and expansion feasibility.
- planning for the development of various computer-based services for corporate clients.
- formulation of a business acquisition programme, which already has proved successful.
- centralised control at administrative headquarters of all large loans by Australian state administrations and overseas branches.

Many major corporate borrowers in Australia are serviced by a specialised corporate finance team. Since its formation in 1981, this group has been particularly active arranging lead management roles in both the corporate and semi-government sectors.

Reflecting the depressed state of the United States economy and sharply increasing domestic resource development costs, financial markets in Australia are developing a more restrained attitude to non-recourse financing of resource projects. There is also a noticeable tendency for lenders to seek more favourable terms and conditions than previously.

Against this background, ANZ's involvement in resources project financing has been very selective. Our major commitment during 1982 was with the Cooper Basin oil and gas project in South Australia.

As a leading banker to Australia's major mining groups, ANZ has played a significant role in helping these groups to augment their cash flows while world prices for minerals are depressed.

For several years the Bank has been a leading packager of leveraged leases and this role strengthened in 1981-82.

International Banking

The past year was one of positive activity.

Initiatives designed to further improve services available to customers transacting volume international business included the up-grading of our Sydney foreign exchange dealing capability. This followed the up-grading of our main trading room in Melbourne in 1981.

Formation of an international customer services group, with associated international treasury functions, was completed in 1982. Acceptance of this facility, particularly by the corporate sector, has been encouraging.

High priority has been given to improved staff selection, placement and specialist training. The international component of many training programmes has been increased and new programmes introduced.

In addition, emphasis has been placed on developing computer programmes to provide more efficient services to customers and correspondent banks, as well as economies of operation. With this in mind the Bank has expanded its involvement with SWIFT (Society for Worldwide Interbank Financial Telecommunications). SWIFT offers a wide range of specialised financial data-processing and telecommunications services and will complement our existing funds transfer, information transmission and related capabilities.

Off shore operations continue to play an important role in our international activities. In 1982, these operations went through a period of consolidation and selected expansion, in addition to normal business growth.

Activities of Los Angeles branch were expanded to incorporate an international banking facility. This facility enhances the branch's capability to accept deposits from and extend credit to residents outside the United States. It complements the operations of Cayman Islands branch for our operations in the United States.

Following recent changes in the Deposit Taking Companies Ordinance in Hong Kong, ANZ Finance (Far East) Ltd. was up-graded from a "registered" to a "licensed" deposit taking company. This has improved its standing in the market place and provided additional versatility to its range of wholesale financial services.

Rationalisation and re-organisation of London branch was completed during the year and it is now well placed to resume profitable growth.

Through London branch the Bank has obtained a seat on the London International Financial Futures Exchange. This is seen as a natural progression in our London foreign exchange and money market dealings.

Our branches in New York and Singapore have both continued to achieve profitable expansion of new business and Chicago branch completed a successful first full year.

Our Channel Islands subsidiary also continues its profitable growth. During the year, a further subsidiary company, ANZ Trust Company (Guernsey) Ltd., was incorporated to handle more specialised trust and secretarial services.

New Zealand

The 28 per cent profit increase recorded by our 75 per cent owned subsidiary, ANZ Banking Group (New Zealand) Ltd., was better than might have been expected, given the fluctuating economic and monetary conditions that prevailed during the year.

Monetary policy was tightened late in 1981, with ceilings applied to interest rates on loans, bank lending restrained and investment encouraged in the Government's inflation adjusted bonds. In June, 1982 interest rate ceilings were extended to encompass deposit rates as part of a wage/price freeze.

These measures, and the balance of payments deficit, resulted in a sharp fall in banking system deposit growth during the June and September quarters of 1982.

Direct controls on prices and incomes tend to produce distortions in the economy if retained for long. It is to be hoped that the Government will revert to a policy of freer, more competitive interest rates during 1983.

While interest rate controls remain, success in raising deposit funds depends increasingly on the quality of services provided and expansion of representation.

Between September, 1981 and December, 1982 six new points of representation will have opened and four existing facilities will have been converted to branches. With this growth in representation and the emphasis being placed on training staff and providing service we expect to maintain our share of New Zealand banking business in 1982-83.

The past year saw the introduction of automated telling machines in a joint venture with the Bank of New Zealand. By mid-1983 it is envisaged that about 40 units will be in operation.

A branch equipment programme is under way, involving the installation of branch teller terminals in up to 145 ANZ branches by June, 1983. These will be on-line to Databank, and will provide customers with a fast, efficient account inquiry service.

Construction of the new head office building in Wellington is progressing well and should be completed by mid-1983.

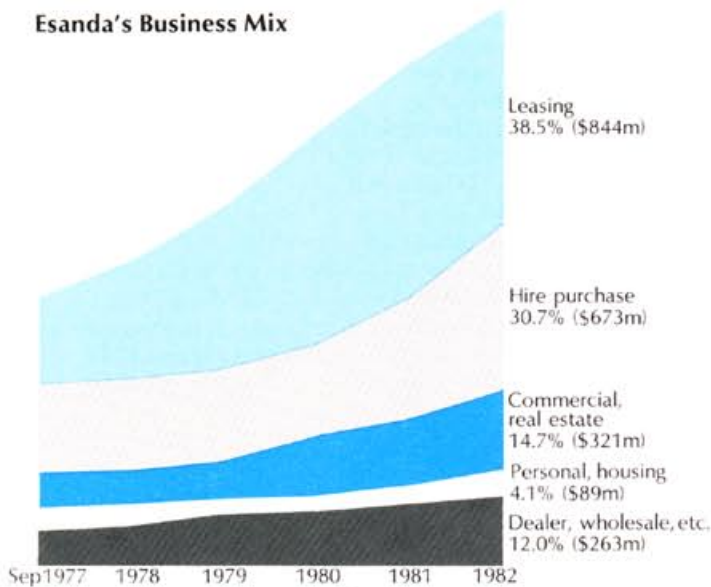
Finance Companies

Esanda

Esanda's uninterrupted record of growth since its incorporation continued in the latest year. Average net receivables increased by 15.2 per cent (previous year 18.0 per cent) and net profit rose by 11.9 per cent (10.2 per cent). The volume of new lending, at \$1,069 million was 2.2 per cent higher than the 1980-81 figure of \$1,046 million.

While leasing is still the largest category of Esanda business, the latest year saw a move in favour of hire purchase. The movement in composition of net outstandings for the last five years is as follows:

Esanda's Business Mix



Opportunities for attractive business writings in partnership and leveraged leasing were accepted during 1981-82.

Esanda's range of facilities was enlarged during the year with the launching of a Factoring & Business Service Department in Melbourne. The new facility enables traders to convert their book debts into cash and/or make use of a complete debtor management system. This service now operates in Victoria and will be expanded progressively to other States.

Esanda's issues of debenture stock and unsecured notes have continued to receive strong support from investors. The overall average rate paid on borrowings has continued to rise as maturing investments have been replaced by new borrowings at higher current rates. Intense competition for funds and high interest rates have required careful management of interest margins.

In the latter stages of 1981-82 the generally depressed business environment led to an increased provision for bad and doubtful debts. Net bad debts of \$7.3 million compared with \$3.2 million in 1980-81 and represented 0.35 per cent of average net receivables (0.18 per cent in 1980-81).

After payment of a dividend of \$13.1 million to the Bank, shareholders' funds at 30th September, 1982 totalled \$236.9 million.

Finance Corporation of Australia

FCA's satisfactory profit performance continued in the latest year, with pre-tax profit increasing by 36.2 per cent to \$22.3 million.

However, with tax losses now substantially used, there was a sizeable increase in income tax expense. Consequently, profit after tax increased by only 6.0 per cent to \$13.5 million.

Average net receivables increased by 15.1 per cent.

Strong competition and high interest rates prevailed throughout 1981-82 and towards the end of the year there was a fall off in the demand for funds. This reflected particularly the down-turn in the building industry.

FCA continues to specialise in real estate finance. Its debenture issues are well supported by investors.

Staff

The Board has acknowledged the efforts of staff throughout 1981-82 and their all-important contribution to the year's results.

It is recognised that ANZ will hold its place in an increasingly competitive environment only by maintaining a high level of expertise at all levels.

We are intensifying our efforts in this regard and presently are spending approximately \$5 million a year on staff development.

Each year some 1,400 staff pass through the Bank's residential training college in Melbourne while a further 7,000 staff attend non-residential courses at training centres in each capital city.

The Bank's long-term aim is to have a significant proportion of its managers equipped with an appropriate tertiary qualification. Staff are offered financial encouragement and enhanced promotional prospects if they do so. Almost 20 per cent of our present career staff either possess a qualification or are working to achieve one.

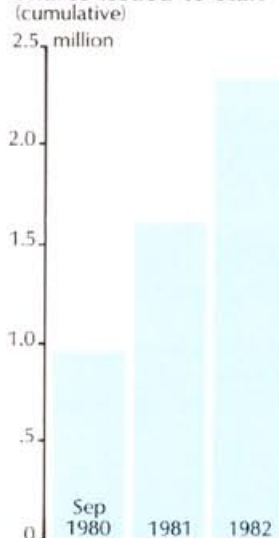
ANZ continues to employ many young people leaving tertiary institutions. Some 150 joined us in 1981-82 (11 per cent of our intake of career staff) and we aim to double this number over the next two years. The Bank is also a significant employer of people with specialist skills from other industries.

Total staff increased from 23,778 to 24,393 during the year. The increase is due partly to growth in our business and partly the need to cater for planned expansion of our branch network.

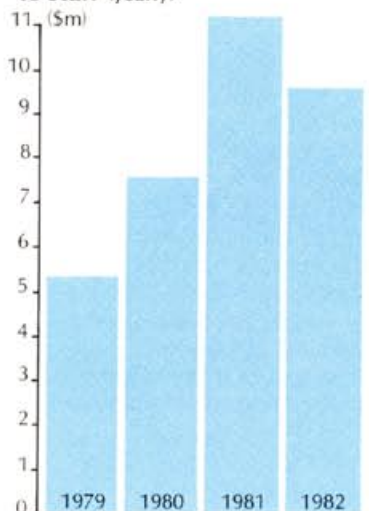
Nearly half our staff are ladies, 1,900 of whom have career positions. It is pleasing to report that the number in this category is increasing.

During the year staff bought a further 709,430 shares under the employee share purchase scheme, bringing the total to 2,300,030 shares. At present 36.3 per cent of our eligible staff (those with five years or more service) are shareholders under this scheme.

Shares issued to staff



Profit participation payments to staff (yearly)



Staff will again receive a sizeable allocation under the staff profit sharing scheme. Provision has been made for a \$9.6 million distribution this year, compared with payments of \$11.2 million in 1981 and \$7.5 million in 1980.

It is pleasing to report that our 1981 Report to Staff won a bronze seal in the Enterprise Australia's annual awards for employee communication.

Senior Management Changes

During the year changes were made to the Bank's senior management structure. These were designed mainly to place ANZ in a more favourable position to progress and expand in the challenging times ahead.

The new structure is shown on pages 12 and 13.

Senior appointments to flow from these changes were:

Mr R. T. Brunskill (previously General Manager, Branch Banking) as a Chief General Manager with oversight of the Branch Banking and Management Services Divisions.

Mr A. G. Kilpatrick (previously General Manager, Corporate Banking) as a Chief General Manager with oversight of the Funds Management and Corporate and International Banking Divisions.

Mr W. J. Bailey (previously Assistant General Manager, Branch Banking) as General Manager, Management Services.

Mr D. Nicolson (previously General Manager ANZ Banking Group (New Zealand) Ltd.) as General Manager, Branch Banking.

Mr B. B. Dickinson (previously Assistant General Manager, Funds Management) as General Manager, Funds Management.

Mr R. A. D. Nicolson (previously Assistant General Manager, and General Manager, Esanda) as General Manager, Corporate and International Banking.

Mr J. Hogarth (previously Deputy General Manager, Esanda) as General Manager, Esanda.

Mr P. G. Gilbert (previously Chief Manager — Corporate Banking, New Zealand) as General Manager, ANZ Banking Group (New Zealand) Ltd.

ANZ in the Community

With its extensive branch network and wide range of financial interests, ANZ exerts a major influence on the communities where it conducts business.

Thus in addition to its basic objective of providing efficient, courteous service to its customers, ANZ strives to be a responsible corporate citizen and to achieve community involvement in a variety of ways.

Commercial sponsorships, particularly in the areas of social welfare, education, sport and the arts are an important aspect of the Bank's programme of community activities. In addition, donations are made in many worthwhile areas, particularly to charitable, research and cultural causes.

Bank staff at all levels of seniority are encouraged to join community service groups and to work voluntarily for charitable organisations.

 Managing Director

Senior Management



J. D. Milne
Managing Director



R. T. Brunskill
Chief General Manager



A. C. Kilpatrick
Chief General Manager



W. J. Bailey
General Manager, Management Services



R. Ashton
Assistant General Manager, Accounting and Strategic Planning



R. K. W. Bennett
Assistant General Manager, Organisation and Personnel Services



J. Hogarth
Assistant General Manager and General Manager, Esanda



J. H. L. Holberton
Assistant General Manager and General Manager, International

Organisation Structure as at December 1982

Board of Directors

Managing Director
J. D. Milne

ANZ Banking Group
(New Zealand) Limited

Australia and New
Zealand Banking Group
(PNG) Limited

Finance Corporation
of Australia Limited

Chief General Manager
R. T. Brunskill

General Manager
Branch Banking
D. Nicolson

Branch Banking Division

Australian State Administrations – Victoria	Retail Banking Division – Advertising Bankcard
New South Wales	Branch Lending
Queensland	Electronic Banking
South Australia	Marketing
Western Australia	Representation
Tasmania	Retail Banking Services
Pacific Island Branches – Fiji	Travel
Solomon Islands	
Vanuatu	

General Manager
Management Services
W. J. Bailey

Management Services Division

Assistant General Manager and Director of Data Processing – F. J. Hughes	Administration General Communications Methods Premises and Supply Public Relations
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Assistant General Manager
Organisation and Personnel Services
R. K. W. Bennett

Administration and Pensions
Group Personnel Resources
Industrial Relations
Organisation
Training and Graduate Recruitment

Assistant General Manager and General Manager
Esanda Limited
J. Hogarth

Commercial and Real Estate Finance
Dealer Finances
Factoring and Business Services
Funds Management and Accounting
Marketing and Administrative Services

Assistant General Manager
Accounting and Strategic Planning
R. Ashton

Audit
Controllers
Legal
Strategic Planning



B. B. Dickinson
General Manager, Funds Management



D. Nicolson
General Manager, Branch Banking



R. A. D. Nicolson
General Manager, Corporate and International Banking



F. J. Hughes
Assistant General Manager and Director of Data Processing



C. W. McInnes
Assistant General Manager, Corporate Accounts



A. G. Wiltshire
Assistant General Manager and State Manager, New South Wales

Victoria

287 Collins St., Melbourne
State Manager: R. W. J. Horne
*Principal Share Register

55 Collins St., Melbourne

New South Wales

*20 Martin Place, Sydney
Assistant General Manager and State Manager:

A. G. Wiltshire

Queensland

*324 Queen St., Brisbane

State Manager: E. C. J. Johnson

South Australia

*75 King William St., Adelaide

State Manager: C. R. Pleydell

Western Australia

*84 St., George's Terrace, Perth

State Manager: R. C. Tuxford

Tasmania

86 Collins St., Hobart

State Manager: N. R. Frost

Share Register

*40 Elizabeth St., Hobart

Australian Capital Territory

ACT/South East NSW (Canberra City) Area

Branch:

*City Walk and Ainslie Avenue, Canberra

Area Manager: J. R. Carey

Northern Territory

43 Smith St., Darwin

Manager: J. C. Hammer

New Zealand

ANZ Banking Group (New Zealand) Limited

*27-35 Mercer St., Wellington

General Manager: P. G. Gilbert

United Kingdom

55 Gracechurch St., London

General Manager – Europe: T. G. Williams

Share Register

*6 Greencoat Place, London

Channel Islands

Australia and New Zealand Banking Group

(Channel Islands) Limited,

St., Peter Port, Guernsey

Manager: P. R. Marshall

United States of America

New York Branch – 63 Wall St.

Executive Vice President: B. J. Farrell

Chicago Branch – 39th Floor, 30 North

La Salle St.

Senior Vice President: D. R. Murray

Houston Representative Office – Suite 3850 First

City Tower, 1001 Fannin

Vice President & Regional Representative:

R. J. Dark

Los Angeles Branch – Suite 4350,

707 Wilshire Boulevard

Senior Vice President: D. G. Morgan

Papua New Guinea

Australia and New Zealand Banking Group (PNG)

Limited

Invesmen Haus, Douglas St., Port Moresby

Chief Manager: M. J. French

Pacific Islands

Suva Branch – Fiji

69 Victoria Parade

Chief Manager: T. D. Sullivan

Solomon Islands – Honiara, Mendana Avenue

Manager: N. B. M. MacIntosh

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

* Offices at which share registers maintained.

Secretary to the Board

Chief General Manager
A. G. Kilpatrick

General Manager
Corporate and International Banking
R. A. D. Nicolson

General Manager
Funds Management
B. B. Dickinson

Assistant General Manager
Corporate Accounts
C. W. McInnes

Assistant General Manager and General Manager International
J. H. L. Holberton

Funds Management Division

International Division

ANZ Finance (Far East) Limited
Hong Kong
Overseas Branches –
London
New York
Chicago
Los Angeles
Singapore

Customer Investments
Economics
Liquidity and Lending Control
Market Operations
Nominee Services

Overseas Representative Offices
Houston
Tokyo

Corporate Accounts
Corporate Finance
Corporate Services
Leveraged Leasing
Project Finance

Representation in Australia

	Branches	Service Centres	Sub-branches	Agencies	Total
Victoria	297	22	5	33	357
NSW & ACT	269	12	1	23	305
Queensland	141	14	2	18	175
SA & NT	143	4	2	56	205
WA	79	6	3	11	99
Tasmania	33	—	3	2	38
Totals	962	58	16	143	1,179

Staff in Australia

	Male		Female		Totals	
	1982	1981	1982	1981	1982	1981
Administrative						
Headquarters	972	899	598	566	1,570	1,465
Victoria	2,773	2,655	2,749	2,774	5,522	5,429
NSW & ACT	2,798	2,708	2,920	2,877	5,718	5,585
Queensland	1,391	1,280	1,377	1,277	2,768	2,557
SA & NT	1,167	1,203	1,017	1,009	2,184	2,212
WA	719	674	729	682	1,448	1,356
Tasmania	296	283	284	292	580	575
Subsidiary coys.	136	183	172	181	308	364
Totals	10,252	9,885	9,846	9,658	20,098	19,543

Deposits in Australia

	Trading Bank \$m.	Savings Bank \$m.
Victoria	2,234	871
NSW & ACT	1,903	589
Queensland	1,084	431
SA & NT	553	359
WA	404	147
Tasmania	180	62
Totals	6,358	2,459

World Wide Distribution

	Assets %	Points of Representation	Staff Numbers
Australia	71.2	1,179	20,098
New Zealand	8.5	207	3,272
United Kingdom	10.3	2	311
United States of America	5.0	4	136
Papua New Guinea	0.4	10	257
Fiji	0.2	7	162
Vanuatu	0.1	1	29
Solomon Islands	0.1	1	42
Hong Kong	1.5	1	42
Singapore	2.7	1	39
Japan	—	1	5
Totals	100.0	1,414	24,393

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Five Year Statistical Summary	40

Directors' Report

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

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. No significant changes in the nature of the group's activities have occurred during the year.

At 30th September, 1982, the Company and its subsidiaries had 1,414 branches, sub-branches, agencies, service centres and representative offices, located as set out on page 14.

Subsidiaries

The following subsidiaries were acquired during the financial year:

	Consideration \$'000	Net tangible assets acquired \$'000
ANZ Funds Pty Limited	2,247	1,461
Budena Pty Limited	—*	—*
Lambton Investments Company Limited and its subsidiary — Commercial Development Limited	301	409

*Less than \$500

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 to general reserve	40,000
Transfer to specific provision for doubtful debts	47,976
Transfer to provision for long service leave	8,829
Transfer to provision for non-lending losses	2,496
Transfer to share premium reserve	1,414
Transfer from asset revaluation reserve	34,738

Australia and New Zealand Savings Bank Limited:	
Transfer to general reserve	18,000
ANZ Banking Group (New Zealand) Limited:	
Transfer to general reserve	15,128
Transfer to general provision for doubtful debts	3,720
Transfer to provision for long service leave	1,136
ANZ Savings Bank New Zealand Limited:	
Transfer to general reserve	2,624
UDC Group Holdings Limited:	
Transfer to general reserve	2,742
Endeavour Investments (New Zealand) Limited:	
Transfer to asset revaluation reserve	1,802
Transfer to general reserve	1,813
ANZ Properties (New Zealand) Limited:	
Transfer to asset revaluation reserve	1,514
E.S.&A Holdings Limited:	
Transfer to capital reserve	5,468
ANZ Properties (Australia) Limited:	
Transfer to provision for depreciation	2,114
Esanda Limited:	
Transfer to general reserve	15,000
Transfer to specific provision for doubtful debts	1,000
Transfer to general provision for doubtful debts	1,250
Finance Corporation of Australia Limited:	
Transfer from provision for diminution of development ventures	2,507
ANZ Adelaide Group Limited:	
Transfer from provision for diminution — FCA	6,918

Share and Debenture Issues

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

- Australia and New Zealand Banking Group Limited
 - 34,738,611 ordinary shares of \$1 each fully paid by capitalising part of the asset revaluation reserve. The shares were issued to shareholders in the proportion of one new share for every five shares held.
 - 709,430 ordinary shares of \$1 each fully paid issued to staff under the employee share purchase scheme.
- ANZ Banking Group (New Zealand) Limited
 - 8,886,800 ordinary shares of NZ\$1 each fully paid by capitalising part of the asset revaluation reserve. The shares were issued to shareholders in the proportion of one new share for every five shares held.
- ANZ Trust Company (Guernsey) Limited
 - 5,000 ordinary shares of £1 each fully paid were issued upon incorporation of the company to finance its operations.
- Australia and New Zealand Banking Group (Channel Islands) Limited
 - 500,000 ordinary shares of £1 each fully paid by capitalising retained profits.
- UDC Group Holdings Limited
 - 10,000,000 ordinary shares of NZ\$1 each uncalled were issued.

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
Debenture stock and unsecured notes at beginning of financial year	1,523,410	269,512	174,362
Issued during year	726,360	135,290	255,798
	<u>2,249,770</u>	<u>404,802</u>	<u>430,160</u>
Redeemed during year	400,152	62,600	223,844
Debenture stock and unsecured notes at end of financial year	1,849,618	342,202	206,316
Loans and deposits held at end of financial year	57,666	23,643	94,737
Total borrowed funds at end of financial year	<u>1,907,284</u>	<u>365,845</u>	<u>301,053</u>

The net funds raised were for the general operations of the companies.

By order of the Victorian Commissioner for Corporate Affairs, exemptions (3rd March, 1982 and 6th October, 1981) have been obtained from compliance with the requirements of sub-section 2(e) of Section 270 of the Companies (Victoria) Code by Esanda Limited and Australia and New Zealand Banking Group Limited.

By order of the South Australian Commissioner for Corporate Affairs, exemption has also been obtained (23rd July, 1982) by Finance Corporation of Australia Limited from compliance with the requirements of sub-section 2(e) of Section 270 of the Companies (South Australia) Code.

Dividends

The directors propose payment of a final dividend of 14 cents per share, amounting to \$29.280 million, to be paid on 27th January, 1983 and this will be recommended at the annual general meeting. Since the end of the previous year a final dividend of 14 cents per share, amounting to \$29.180 million was paid on 22nd February, 1982 and an interim dividend of 14 cents per share, amounting to \$29.233 million, was paid on 1st July, 1982. The final dividend paid on 22nd February, 1982 was detailed in the directors' report dated 30th November, 1981.

Neither the interim dividend paid on 1st July, 1982, 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 any corporation in the group has arisen since the end of the financial year which secures the liabilities of any other person.

(iv) contingent liabilities have arisen in the ordinary course of business since the end of the financial year. These include contingent liabilities in respect of commercial bill endorsements, letters of credit, guarantees and forward exchange contracts. It is impractical to state the maximum amount or to estimate the maximum amount of these liabilities, but having regard to their nature the effect on the accounts would not be 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 or other liability of any corporation in the group has become enforceable, or is likely to become enforceable, within the period of twelve months after 30th September, 1982 being a liability that in the opinion of the directors will or may substantially affect the ability of the corporation to meet its 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 corporation in the group for the current financial year.

The results of the operations of the Company and its subsidiaries for the year ended 30th September, 1982 were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material nature, except as may be referred to herein.

No director has, since the end of the previous financial year, received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received, or due and receivable by directors shown in the group accounts or the fixed salaries of directors who are full-time employees of the Company or its subsidiaries), by reason of a contract made by the Company, or a related corporation, with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest with the exception of (i) 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 Mr. M. D. Bridgland and Sir James McNeill, (ii) benefits that may be deemed to have arisen because of legal fees paid to Blake and 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 business placed through Baillieu Bowring Marsh & McLennan 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 \$176 million in excess of the value shown in the balance sheet, on an existing use basis.

Accounts

In accordance with section 271 of the Companies (Victoria) Code and regulation 58 of the Companies Regulations, all amounts shown in this report and the accompanying accounts have been rounded off to the nearest thousand dollars unless otherwise specifically stated.

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 39.

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 29th day of November, 1982.



Chairman



Managing Director

Australia and New Zealand Banking Group Limited and its Subsidiaries

Profit and loss statement for the year ended 30th September, 1982

Holding Company		Note	Consolidated	
1981 \$'000	1982 \$'000		1982 \$'000	1981 \$'000
1,275,334	1,822,750	Gross Income — Discount and interest earned, net exchange, commission and other items	2,785,847	2,027,036
1,100,991	1,684,296	Less: Expenses of management and interest paid	2,464,714	1,702,592
174,343	138,454	Operating profit before income tax	321,133	324,444
67,303	36,983	Less: Income tax expense	133,555	143,416
107,040	101,471	Operating profit after tax	187,578	181,028
—	—	Less: Interests of minority shareholders	7,106	5,633
107,040	101,471	Operating profit — applicable to shareholders of Australia and New Zealand Banking Group Limited	180,472	175,395
8,337	(24)	Extraordinary items	7,426	29,255
—	—	Less: Interests of minority shareholders in extraordinary items	49	8
115,377	101,447	Operating profit and extraordinary items — applicable to shareholders of Australia and New Zealand Banking Group Limited	187,849	204,642
45,002	63,579	Retained profits at beginning of year. (after adjustment for exchange rate fluctuations 1982 \$730 (1981 \$1,413) and prior period adjustment in subsidiary 1982 \$336)	162,626	97,851
160,379	165,026	Total available for appropriation	350,475	302,493
		Less: Appropriations:		
		Transfer to reserves		
35,000	40,000	— General	87,762	58,379
8,337	(24)	— Contingencies	(24)	8,337
—	—	— Capital	10,023	20,754
24,283	29,233	Dividends — interim	29,233	24,283
29,180	29,280	— proposed final payable	29,280	29,180
63,579	66,537	Retained profits at end of year	194,201	161,560

The notes appearing on pages 22-32 are an integral part of these accounts.

Australia and New Zealand Banking Group Limited and its Subsidiaries

Balance Sheet as at 30th September, 1982

Holding Company			Consolidated	
1981	1982		1982	1981
\$'000	\$'000	Note	\$'000	\$'000
Authorised capital:				
250,000	350,000	350,000,000 ordinary shares of \$1 each	350,000	250,000
Shareholders' funds				
Issued and paid up capital:				
173,693	209,141	209,141,096 ordinary shares of \$1 each, fully paid	209,141	173,693
380,026	387,873	Reserves	659,480	592,929
63,579	66,537	Retained profits	194,201	161,560
Share capital and reserves applicable to shareholders of Australia and New Zealand Banking Group Limited				
617,298	663,551		1,062,822	928,182
—	—	Minority shareholders' interest in subsidiary companies	22,479	15,094
Customers' accounts, etc.				
6,190,783	7,323,068	Deposits	11,514,747	9,821,976
—	—	Borrowings by borrowing corporation subsidiaries	2,564,640	2,293,851
1,294,444	1,638,131	Bank acceptances of customers (see contra)	1,553,133	1,282,173
1,547,200	2,976,381	Due to other banks	3,061,191	1,593,252
363,151	412,378	Bills payable and other liabilities	648,528	572,008
20,939	32,550	Amounts due to subsidiary companies	—	—
Provisions				
29,180	29,280	Proposed final dividend	29,280	29,180
33,100	19,187	Provision for income tax	61,070	71,556
124,117	155,379	Other provisions	211,147	156,120
10,220,212	13,249,905		20,729,037	16,763,392

The notes appearing on pages 22-32 are an integral part of these accounts.
Contingent liabilities are detailed at Note 16.

Holding Company			Consolidated	
1981	1982	Note	1982	1981
\$'000	\$'000		\$'000	\$'000
		Liquid assets		
102,397	150,366	Coin, notes and cash at bankers	158,759	113,441
63,100	—	Loans to authorized dealers in Australian short term money market	10,000	63,516
23,281	67,187	Money at short call overseas	80,120	29,058
268,077	200,201	Bills receivable and remittances in transit	380,023	378,251
1,108,084	2,097,949	Cheques in course of collection and balances with other banks	2,206,215	1,202,304
1,107,350	1,294,635	Investments other than trade investments	2,599,139	2,295,707
		Regulatory deposits with central and other banks		
375,852	426,122	Reserve Bank of Australia	429,112	485,052
7,303	10,116	Overseas	10,116	7,303
		Customers' accounts, etc.		
5,283,063	6,572,804	Loans, advances and net receivables	12,659,361	10,429,939
1,294,444	1,638,131	Customers' liability for acceptances (see contra)	1,553,133	1,282,173
274,237	276,811	Investments in subsidiary companies	—	—
66,224	114,145	Amounts due from subsidiary companies	—	—
9,001	9,150	Trade investments	10,888	10,997
75,391	93,476	Premises and equipment	300,192	249,168
162,408	298,812	All other assets	331,979	216,483
10,220,212	13,249,905		20,729,037	16,763,392

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.

(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, after allowing for those positions covered by foreign exchange hedge contracts, has been dealt with by transfer direct to reserves.

(c) Leveraged lease transactions

Certain companies in the group have entered into leveraged lease transactions as equity participants. The investment is recorded net of the non-recourse long term debt and is included in "Investments other than trade investments" in the balance sheet. Income is taken to account over the period of the lease based on the rate of return on the outstanding investment balance.

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

(k) Definitions

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

	Consolidated		Holding Company	
	1982 \$'000	1981 \$'000	1982 \$'000	1981 \$'000
2 Extraordinary Items				
Surplus on sale of properties less income tax applicable thereto	7,099	31,134	—	10,209
	—	1,872	—	1,872
	7,099	29,262	—	8,337
Surplus/(deficiency) on sale of shares in trade investments (No income tax applicable)	278	(7)	(24)	—
	7,377	29,255	(24)	8,337

3 Operating Profit

Operating profit before income tax was determined after inclusion of:

Income

(a) Interest received or receivable from:				
(i) Subsidiaries	—	—	4,176	8,303
(ii) Other persons	2,418,257	1,729,148	1,330,060	898,702
(b) Dividends received or receivable from:				
(i) Related companies				
— Australia and New Zealand Savings Bank Limited	—	—	9,500	9,700
— ANZ Finance (Far East) Limited	—	—	1,219	743
— ANZ Banking Group (New Zealand) Limited	—	—	5,445	5,053
— Esanda Limited	—	—	13,100	11,800
— ANZ Investments Limited	—	—	355	610
— Australia and New Zealand Banking Group (PNG) Limited	—	—	579	653
— ANZ Overseas Finance Limited	—	—	—	141
— ES&A Holdings Limited	—	—	81	57
(ii) Other companies	2,677	916	1,928	701

Expenses

(a) Depreciation and amortisation of fixed assets	24,169	20,520	17,104	14,992
(b) Auditors' remuneration				
in respect of auditing of the accounts or group accounts				
— auditors of holding company	494	434	234	185
— other auditors	211	282	—	—
other services				
— auditors of holding company	93	90	82	84
— other auditors	2,679	1,077	2,334	647
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	178	554	58	345
other directors				
— fees	216	212	132	138
— other emoluments	77	83	77	83
(d) Provision for long service leave	10,102	5,938	8,829	4,903
Provisions for doubtful debts (see note 5)	63,889	29,825	48,403	22,810
Provision for non lending losses	2,628	468	2,496	374
Provisions — other	251	676	251	676
(e) Interest paid or payable to:				
(i) Subsidiaries	—	—	505	1,548
(ii) Other persons	1,707,095	1,097,023	991,046	579,337

4 Reserve Funds**Consolidated**
\$'000

	Share Premium Reserve	Asset Revaluation Reserve	Contingencies Reserve	General Reserve	Capital Reserves	Total Reserves
Balance at 1st October, 1980	46,925	33,778	136,761	303,142	26,664	547,270
Adjustment for exchange rate fluctuations	—	—	—	(460)	—	(460)
Transfers from profit and loss account	—	—	8,337	58,379	20,754	87,470
Capitalisation issue	(34,616)	—	—	—	—	(34,616)
Premium on issue of shares to staff	1,762	—	—	—	15	1,777
Currency translation adjustments	—	—	(9,114)	—	602	(8,512)
Balance at 30th September, 1981	14,071	33,778	135,984	361,061	48,035	592,929
Adjustment for exchange rate fluctuations	—	—	—	408	(32)	376
Transfers (to) from profit and loss account	—	—	(24)	87,762	10,023	97,761
Premium on issue of shares to staff	1,414	—	—	—	37	1,451
Capitalisation issue	—	—	—	—	(34,738)	(34,738)
Revaluation of properties by subsidiary company	—	1,135	—	—	—	1,135
Currency translation adjustments	—	—	1,224	54	(108)	1,170
Adjustment on consolidation	—	—	—	—	(604)	(604)
Balance at 30th September, 1982	15,485	34,913	137,184	449,285	22,613	659,480

Holding Company
\$'000

	Share Premium Reserve	Asset Revaluation Reserve	Contingencies Reserve	General Reserve	Total Reserves
Balance at 1st October, 1980	46,925	27,979	103,952	134,150	313,006
Transfer from profit and loss account	—	—	8,337	35,000	43,337
Capitalisation issue	(34,616)	—	—	—	(34,616)
Premium on issue of shares to staff	1,762	—	—	—	1,762
Currency translation adjustments	—	—	(9,083)	—	(9,083)
Revaluation of shares in subsidiary companies	—	65,620	—	—	65,620
Balance at 30th September, 1981	14,071	93,599	103,206	169,150	380,026
Transfer (to) from profit and loss account	—	—	(24)	40,000	39,976
Capitalisation issue	—	(34,738)	—	—	(34,738)
Premium on issue of shares to staff	1,414	—	—	—	1,414
Currency translation adjustments	—	—	1,195	—	1,195
Balance at 30th September, 1982	15,485	58,861	104,377	209,150	387,873

5 Provisions for Doubtful Debts**Consolidated**
\$'000**Holding Company**
\$'000

	Specific Provision		General Provision		Specific Provision		General Provision	
	1982	1981	1982	1981	1982	1981	1982	1981
Balance at 1st October, 1981	48,216	54,494	74,613	70,588	45,834	48,369	54,778	50,689
Adjustment for exchange rate fluctuations	4,063	(4,806)	1,345	(2,915)	2,432	(2,543)	742	(1,881)
Provision from The Bank of Adelaide	—	—	—	—	—	2,034	—	1,907
Bad debts written off	(18,925)	(28,463)	—	—	(6,608)	(21,373)	—	—
Recoveries	4,908	4,106	—	—	844	600	—	—
Charge to profit and loss account	58,137	22,885	5,752	6,940	47,976	18,747	427	4,063
Balance at 30th September, 1982	96,399	48,216	81,710	74,613	90,478	45,834	55,947	54,778

6 Other Provisions

	Consolidated		Holding Company	
	1982 \$'000	1981 \$'000	1982 \$'000	1981 \$'000
Provision for long service leave	76,539	65,521	69,158	60,051
Provision for deferred income tax	126,608	84,992	78,725	59,020
Provision for non-lending losses	6,046	3,581	5,542	3,020
Provisions — other	1,954	2,026	1,954	2,026
	211,147	156,120	155,379	124,117

7 Loans, Advances, Bills Discounted and Outstandings Under Hire Purchase and Other Agreements less Provisions for Doubtful Debts and Unearned Income, etc.

	Consolidated		Holding Company	
	1982 \$'000	1981 \$'000	1982 \$'000	1981 \$'000
Gross loans, advances, bills discounted and outstandings under hire purchase and other agreements	13,928,250	11,514,657	6,968,125	5,596,094
Less: Provisions for doubtful debts	178,109	122,829	146,425	100,612
Provision for contingencies	5,180	5,180	—	—
Income yet to mature	1,085,600	956,709	248,896	212,419
Net loans, advances, bills discounted and outstandings under hire purchase and other agreements	12,659,361	10,429,939	6,572,804	5,283,063

8 Development Ventures (included in all other assets)

	Consolidated	
	1982 \$'000	1981 \$'000
(a) Development ventures comprise:		
(i) Land held for development at cost:		
acquisition	13,629	17,164
development expenses capitalised	2,264	1,649
other amounts capitalised	3,806	3,436
	19,699	22,249
less: liabilities		
secured mortgages:		
payable within 12 months	—	8
unsecured: (including provision for expenditure on sold land)		
payable within 12 months	152	202
	152	210
	19,547	22,039
add: debtors	1,457	1,488
	21,004	23,527
less: provision for diminution in value of ventures	15,915	17,961
	5,089	5,566
(ii) Loans to real estate projects, secured on real estate		
— loans to associated development companies	4,688	5,444
— loans to others	764	—
	5,452	5,444
less: creditors payable within 12 months	23	—
	23	—
	5,429	5,444
less: provision for diminution in value	1,644	2,105
	3,785	3,339
	8,874	8,905

The above particulars relate solely to the Finance Corporation of Australia Limited group.

9 Premises and Equipment

	Consolidated	
	1982 \$'000	1981 \$'000
(a) Banking companies		
Freehold and leasehold land and buildings at cost less amounts written off	26,548	16,961
Computers, furniture, office machines and other equipment at cost, less amounts written off	66,928	58,430
	93,476	75,391
(b) Non-banking companies		
Freehold and leasehold land and buildings		
— at directors' valuation 1974	4,290	4,290
— by independent valuation 1976	1,171	1,263
— at directors' valuation 1978	307	307
— at directors' valuation 1979	—	8,249
— at directors' valuation 1981	17,001	—
— at cost	177,103	151,486
	199,872	165,595
Deduct: Provision for depreciation on buildings	16,887	12,643
	182,985	152,952
Plant, furniture, fixtures and fittings at cost	46,487	43,126
Deduct: Provision for depreciation	24,095	23,220
	1,699	1,205
Leasehold improvements at cost	360	286
Deduct: Provision for amortisation	1,339	—
	206,716	173,777
Total consolidated premises and equipment	300,192	249,168

10 Capital Expenditure Commitments

	Consolidated		Holding Company	
	1982 \$'000	1981 \$'000	1982 \$'000	1981 \$'000
Contracts for outstanding capital expenditure not provided for in these accounts	12,955	23,991	2,564	13,398

11 Liabilities Payable by Borrowing Corporation Subsidiaries

	1982 \$'000	1981 \$'000
Within one year	1,565,181	1,356,432
Between one and two years	634,036	531,770
Between two and five years	466,962	506,220
After five years	12,078	13,588
	2,678,257	2,408,010

12 Debts Receivable by Borrowing Corporation Subsidiaries

	1982 \$'000	1981 \$'000
Within one year	1,700,643	1,374,204
Between one and two years	914,493	823,153
Between two and five years	1,030,677	993,636
After five years	120,836	151,901
	3,766,649	3,342,894
Less: Income yet to mature on amounts receivable, general provision for doubtful debts and provision for contingencies	852,445	758,481
	2,914,204	2,584,413

14 Subsidiary Companies and Group Interests

	Incorporated in	Principal areas of operations	Issued capital	Contribution to Group results \$'000	
				1982	1981
Australia and New Zealand Banking Group Limited	Australia	International		71,455	78,283
Subsidiaries					
Adelaide Group Data Pty. Limited	Australia	Australia	100,000 shares of \$1	43	(11)
§ Adelaide Nominees Limited	England	England	100 shares of £1	—	—
Adelgroup Pty Limited	Australia		10 shares of \$1	—	—
ANZ Adelaide Group Limited	Australia	Australia	31,504,687 shares of \$1	10	46
ANZ Adelaide Property Limited	Australia	Australia	750,000 shares of \$2	12	29
§ ANZ Banking Group (New Zealand) Limited	New Zealand	New Zealand	44,434,000 of NZ\$1	15,272	12,383
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	17,000,000 shares of \$1	4,671	2,831
§ ANZ Finance (Jersey) Limited	Jersey		10 shares of £1	—	—
ANZ Funds Pty. Limited	Australia	Australia	100 shares of \$2	1,034	—
ANZ Holdings Limited	Australia	Australia/N.Z.	23,100,000 shares of \$1	37	34
ANZ Investments Limited	Australia	International	150 shares of \$1	308	613
ANZ Managed Investments Limited	Australia	Australia	209,010 shares of \$1	37	29
ANZ Managed Investments (N.S.W.) Limited	Australia	Australia	10,000 shares of \$1	3	3
ANZ Managed Investments (Qld.) Limited	Australia	Australia	16 shares of \$1	4	2
ANZ Managed Investments (S.A.) Limited	Australia	Australia	12 shares of \$1	3	2
ANZ Managed Investments (W.A.) Limited	Australia	Australia	12 shares of \$1	1	1
ANZ Managed Investments (Tas.) Limited	Australia	Australia	16 shares of \$1	2	2
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./N.Z.	1,500 shares of \$1	—	—
§ ANZ Overseas Finance Limited	England	England	100 shares of £1	—	83
ANZ Pensions (Adelaide) Limited	Australia	Australia	5,000 shares of \$2	—	—
§ ANZ Pensions (U.K.) Limited	England	England	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	550	573
§ ANZ Properties (New Zealand) Limited	New Zealand	New Zealand	10,000 shares of NZ\$1	19	8
§ ANZ Savings Bank (New Zealand) Limited	New Zealand	New Zealand	250,000 shares of NZ\$2	2,020	1,595
§ ANZ Trust Company (Guernsey) Limited	Guernsey	Guernsey	5,000 shares of £1	—	—
§ Australia and New Zealand Banking Group (Channel Islands) Limited	Guernsey	Channel Islands	1,000,000 shares of £1	699	522
Australia and New Zealand Banking Group (PNG) Limited	Papua New Guinea	Papua New Guinea	2,000,000 shares of K1	1,394	1,542
Australia and New Zealand Savings Bank Limited	Australia	Australia	7,500,000 shares of \$1	28,462	27,802
Budena Pty. Limited	Australia	Australia	8 shares of \$1	—	—
* Endeavour Investments (New Zealand) Limited	New Zealand	New Zealand	4,000,000 shares of NZ\$1	—	—
* Esanda Limited	Australia	Australia	95,000,000 shares of \$1	37,900	30,899
* Esanda (Wholesale) Pty. Limited	Australia	Australia	50 shares of \$2	5	2,986
§ Esanda Nominees Limited	England	England	100 shares of £1	—	—
ES&A Holdings Limited	Australia	Australia	12,600,000 shares of \$1	5	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	9	8
§ ES&A Properties (U.K.) Limited	England	England	125,000 shares of £1	—	—
Finance Corporation of Australia Limited	Australia	Australia	41,000,000 shares of \$1	7,261	5,472
			55,000,000 non-cumulative redeemable preference shares of \$1		
F.C.A. Leasing Pty. Limited	Australia	Australia	250,000 shares of \$2	18	17
F.C.A. Finance Pty. Limited	Australia	Australia	260,000 shares of \$2	5,069	7,267
F.C.A. (Wholesale) Pty. Limited	Australia	Australia	100 shares of \$1	—	—
Ashmore Village Pty. Limited	Australia	Australia	90 shares of \$1	—	—
Meadowlake Pty. Limited	Australia	Australia	60 shares of \$1	1,364	(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	(203)	—
Leveraged Lease Packaging Pty. Ltd.	Australia	Australia	4 shares of \$2	—	—
Melbourne Safe Deposit Pty. Limited	Australia	Australia	29,000 shares of \$1	2	2
* UDC Group Holdings Limited	New Zealand	New Zealand	15,000,000 shares of NZ\$1	12	15
* UDC Finance Limited	New Zealand	New Zealand	3,000,000 shares of NZ\$1	2,358	1,935
* UDC Mercantile Securities Limited	New Zealand	New Zealand	500,000 shares of NZ\$2	741	323
* UDC Properties Limited	New Zealand	New Zealand	65,000 shares of NZ\$2	6	11
* UDC Developments Limited	New Zealand	New Zealand	20,000 shares of NZ\$1	(9)	39
* 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	21	7
* Mercantile Discounts Limited	New Zealand	New Zealand	34,500 shares of NZ\$2	—	—
* Credit for Industry (NZ) Limited	New Zealand	New Zealand	10,000 shares of NZ\$2	—	—
			240,000 shares of NZ\$2 paid to NZ\$1		
* Financial Services Limited	New Zealand		10,000 shares of NZ\$2	—	—
* Lambton Investments Company Limited	New Zealand	New Zealand	204,292 shares of NZ\$1	25	—
* Commercial Developments Limited	New Zealand	New Zealand	2,000 shares of NZ\$1	7	—
* The Traders' Finance Corporation Limited	New Zealand	New Zealand	150,000 shares of NZ\$2	—	—
* United Finance Corporation Limited	New Zealand	New Zealand	48,850 shares of NZ\$2	—	—
* Mercantile Securities (Hong Kong) Limited	Hong Kong	Hong Kong	5,000 shares of HK\$2	108	40
* Quebracho Investments N.V.	The Netherlands Antilles	Curacao	6,000 shares of US\$1	—	—
Adjustment on Consolidation				(263)	276
§ Audited by overseas Peat, Marwick, Mitchell & Co. firms				180,472	175,395
* Not audited by Peat, Marwick, Mitchell & Co.					

Holding company's beneficial interest and investment				Held by	Nature of business
%	\$'000	%	\$'000		
1982		1981			
100		100		FCA and ANZ Adelaide Property	Data processing services
100		100	†	ANZ Banking Group	Nominee services
100		100		ANZ Adelaide Group	Non-operative
100	66,116	100	66,116	ANZ Banking Group	Property owning company
100		100		ANZ Adelaide Group	Property owning company
75	44,113	75	41,827	ANZ Banking Group	Full range of banking services
100	†	100	†	ANZ Banking Group	Custodian and nominee services
100		100		ANZ Investments	Negotiation of foreign currency loans for Australian customers
100	15,939	100	15,939	ANZ Banking Group	Finance activities
100	†	100	†	ES&A Holdings	Non-operative
100		100		ANZ Banking Group	Investment company
100	54,759	100	54,759	ES&A Holdings	Property owning company
100	†	100	†	ANZ Banking Group	Holders of subsidiary and other company shares
100		100		Melbourne Safe Deposit	Unit trust managers
100		100		ANZ Managed Investments	Unit trust managers
100		100		ANZ Managed Investments	Unit trust managers
100		100		ANZ Managed Investments	Unit trust managers
100		100		ANZ Managed Investments	Unit trust managers
100		100		ANZ Managed Investments	Unit trust managers
100		100		ANZ Managed Investments	Unit trust managers
100	2	100	2	ANZ Managed Investments	Unit trust managers
100	2	100	2	ANZ Banking Group	Nominee services
100	†	100	†	ANZ Banking Group	Nominee services
100	10	100	10	ANZ Banking Group	Provision of foreign currency loans
100	447	100	393	ANZ Banking Group	Management of staff pension funds
100	†	100	†	ANZ Banking Group	Management of staff pension funds
100		100		ANZ Banking Group (NZ)	Management of staff pension funds
100		100		ANZ Savings Bank	Property owning company
75		75		ANZ Banking Group (NZ)	Property owning company
75		75		ANZ Banking Group (NZ)	Savings bank
100		100		ANZ (Channel Islands)	Trustee
100	447	100	393	ANZ Banking Group	Full range of banking services
85	2,317	85	2,166	ANZ Banking Group	Full range of banking services
100	7,500	100	7,500	ANZ Banking Group	Savings bank
100	†	100	†	ANZ Banking Group	Co-ordination and arrangement of leveraged lease facilities
75		75		ANZ Banking Group (NZ)	Majority shareholder of UDC Group Holdings Ltd.
100	62,696	100	62,696	ANZ Banking Group	Hire purchase, lease, instalment and general finance facilities
100		100		Esanda	Hire purchase, lease, instalment and general finance facilities
100	†	100	†	ANZ Banking Group	Nominee services
100	22,210	100	22,210	ANZ Banking Group	Property and investment owning company
100	†	100	†	ANZ Banking Group	Nominee services
100		100		ES&A Holdings	Property owning company
100	224	100	196	ANZ Banking Group	Property owning company
100		100		ANZ Adelaide Group	Real estate, leasing and general finance facilities
100		100		FCA	Lease finance
100		100		FCA	Real estate development and finance facilities
100		100		FCA	Motor vehicle finance
100		100		FCA Finance	Agent and trustee
100		100		FCA Finance	Real estate development
100		100		FCA Finance	Agent and trustee
100		100		FCA Finance	Non-operative
100		100		FCA Finance	Beneficiary of land development partnership
100	†	100	†	ANZ Banking Group	Co-ordination and arrangement of leveraged lease facilities
100	29	100	29	ANZ Banking Group	Holding company for subsidiary company shares
75		75		Endeavour Investments (NZ)	Holders of subsidiary and other company shares
75		75		ANZ Banking Group (NZ)	Holders of subsidiary and other company shares
75		75		UDC Group Holdings	General finance facilities
75		75		UDC Finance	Merchant bank
75		75		UDC Finance	Property owning company
75		75		UDC Finance	Property development and management
75		75		UDC Finance	Nominee services
75		75		UDC Finance	Holders of associated company shares
75		75		UDC Finance	Commercial bill discounter
75		75		UDC Finance	Non-operative
75		75		UDC Finance	Non-operative
75		75		UDC Group Holdings	Finances consumer goods
75		75		Lambton Investments	Property owning company
75		75		UDC Finance	Non-operative
75		75		UDC Finance	Non-operative
75		75		UDC Mercantile Securities	Finance activities
75		75		Mercantile Securities (Hong Kong)	Finance activities
	276,811		274,237	† Amounts under \$500.	

Subsidiary Companies and Group Interests continued	Incorporated in	Principal areas of operations	Issued capital	Group interest
Associated Companies				
Allied Mortgage Guarantee Co. Limited	New Zealand	New Zealand	2,000,000 share of NZ\$1 each Reserves NZ\$1,207,811	50.0%
Australian International Finance Corporation Limited	Australia	Pacific Area	7,812,500 shares of \$1 Reserves \$16,938,804	40.0%
Databank Systems Limited	New Zealand	New Zealand	200,000 shares of NZ\$1 Loan Capital NZ\$703,500 Reserves NZ\$1,446,856	20.0% 20.0%
Delana Pty. Limited	Australia	Australia	2 shares of \$1 each	50.0%
Endeavour Hills Pty. Limited	Australia	Australia	3 shares of \$1 each	33.3%
Fifty Seven Willis Street Limited	New Zealand	New Zealand	6,560,100 shares of NZ\$1	15.4%
Irvin and Stern Limited	New Zealand	New Zealand	529,000 shares of NZ\$1 Reserves NZ\$1,007,755	24.9%
Lefca Developments (Section 5) Pty. Limited	Australia	Australia	100 shares of \$1 each	50.0%
Lefca Developments (Section 6) Pty. Limited	Australia	Australia	100 shares of \$1 each	50.0%
Lefca Investments Pty. Limited	Australia	Australia	2 shares of \$1 each	50.0%
Melanesia International Trust Company Limited	Vanuatu	International	931,469 shares of £0.50p Reserves \$346,923	47.3%
Monidata Pty. Limited	Papua New Guinea	Papua New Guinea	100,000 shares of K1	20.0%
New Zealand Bankcard Associates Limited	New Zealand	New Zealand	30,000 shares of NZ\$1 Reserves NZ\$66,000	33.3%
Pye Acceptance Limited	New Zealand	New Zealand	20,000 shares of NZ\$2 Reserves NZ\$322,632	50.0%
Interests under 20%				
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	0.58%
Asfinc Singapore Limited	Singapore	South East Asia	20,000,000 shares of S\$1	1.25%
Australian Resources Development Bank Limited	Australia	Australia	11,088 shares of \$1,000	16.67%
Charge Card Services Limited	Australia	Australia	80,010 shares of \$1	14.29%
Export Credit Insurance Corporation of Singapore Limited	Singapore	Singapore	127,590,000 shares of S\$1	0.20%
Primary Industry Bank of Australia Limited	Australia	Australia	5,625,000 shares of \$1	12.50%
Private Investment Co. for Asia S.A.	Panama	Asia	15,864 shares of US\$5,000	1.17%
Society for Worldwide Interbank Financial Telecommunication	Belgium	International	24,587 shares of B.F.5000	0.08%
South East Asia Development Corporation Berhad	Malaysia	South East Asia	7,000,000 shares of M\$1	0.86%
West Lakes Limited	Australia	Australia	4,100,000 shares of 50¢ each	5.52%

Held by	Nature of business
UDC Group Holdings	Guarantee of repayment of property mortgages
ANZ Banking Group	Short and medium term lending and related financial services
ANZ Banking Group (NZ) ANZ Banking Group (NZ)	Nationwide computer network jointly owned by the trading banks
FCA Finance	Property developer
FCA Finance	Trustee
FCA Finance	Beneficiary of Trust
ANZ Banking Group (NZ)	Property owning company
United Dominions Corporation	Retailer of carpet, furniture and white goods
FCA Finance	Beneficiary of trust
FCA Finance	Beneficiary of trust
FCA Finance	Trustee
ANZ Investments	Trustee, corporate and financial services
ANZ Banking Group (PNG) ANZ Banking Group (NZ)	Computer network jointly owned by Papua New Guinea banks Service company for administration of charge card services.
UDC Group Holdings	Hiring of radio telephones
ANZ Investments	Development of resources in PNG
ANZ Banking Group	Holds 20% equity in Asean Finance Corporation which was formed to promote industrialisation and economic development within Asean member countries
ANZ Banking Group	Financing development of Australia's natural resources
ANZ Banking Group	Service company for administration and provision of bank charge cards
ANZ Banking Group	Provision of guarantees for export credits
ANZ Banking Group	Finance long-term loans to primary producers
ANZ Banking Group	Capital investments in developing countries of Asia
ANZ Banking Group	Management of International Inter-bank Telecommunications system
ANZ Investments	Investments and banking facilities in South East Asia
FCA	Property developer

15 Future Income Tax Benefits

	Consolidated		Holding Company	
	1982 \$'000	1981 \$'000	1982 \$'000	1981 \$'000
Included in all other assets	98,815	68,521	90,476	57,578

Possible future income tax benefits relative to the Finance Corporation of Australia Limited group arising from provision for doubtful debts, and provision for diminution in value of development ventures, are not recognised in the accounts. These possible benefits, which could amount to \$8,305 (1981 — \$10,040) for the Finance Corporation of Australia Limited group, assuming provisions for diminution in value of development ventures and doubtful debts have been correctly estimated will only be obtained if:

- (i) Relevant 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) Relevant 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 Contingent Liabilities

	Consolidated		Holding Company	
	1982 \$'000	1981 \$'000	1982 \$'000	1981 \$'000
Uncalled capital on shares in trade investments	438	—	60	—
Commercial bills endorsed	54,951	69,727	41,870	67,727
Liabilities under letters of credit	327,925	351,757	293,656	319,907
Guarantees entered into in the normal course of business	446,308	420,407	409,219	390,497
Other	513,249	223,395	493,066	176,882
	1,342,871	1,065,286	1,237,871	955,013
Forward exchange contracts	16,704,736	10,551,647	14,642,420	9,627,606
	18,047,607	11,616,933	15,880,291	10,582,619

Australia and New Zealand Banking Group Limited has —

- (i) Guaranteed the depositors' balances with Australia and New Zealand Savings Bank Limited
 - (ii) 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.
 - (iii) In accordance with section 22 of the Hong Kong Deposit Taking Company Ordinance given a letter of guarantee to the Commissioner of Banking in Hong Kong in respect of the operations of ANZ Finance (Far East) Limited.
- ANZ Banking Group (New Zealand) Limited has guaranteed the depositors' balances with ANZ Savings Bank (New Zealand) Limited.

Statement by the Directors

In the opinion of the directors of Australia and New Zealand Banking Group Limited:

- (a) 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, 1982;
- (b) 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, 1982; and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

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, 1982; and
 - (b) the state of affairs of the Company and its subsidiaries for the year ended 30th September, 1982
- so far as they concern members of the Company.

Dated at Melbourne this 29th day of November, 1982.

Signed in accordance with a resolution of the directors.

W. J. Vines Director

J. D. Milne Director

Auditors' Report to the Members

In our opinion:

- (a) the accompanying accounts of Australia and New Zealand Banking Group Limited and group accounts of the Company and its subsidiaries as set out on pages 19 to 33, 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 (Victoria) Code 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, 1982 and the results of the Company and the group for the year ended on that date so far as they concern members of the Company; and
 - (ii) the other matters required by Section 269 of that Code to be dealt with in the accounts and in group accounts;
- (b) the accounting records, other records, and the registers required by that Code and, where applicable, the Companies Act 1961 of Victoria to be kept by the Company and by its subsidiaries have been properly kept in accordance with the provisions of that Code and, in the case of those subsidiaries incorporated in other States or Territories of the Commonwealth, in accordance with the provisions of the corresponding law of those States or Territories.

The names of the subsidiaries of which we have not acted as auditors are set out in note 14 on pages 28 and 29 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 the Company's 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 (4) of Section 285 of that Code.

Peat, Marwick, Mitchell & Co.
Chartered Accountants

R. C. Dunn, Partner

Melbourne
29th November, 1982.

Australia and New Zealand Savings Bank Limited

Summary of the Audited Accounts* as at 30th September, 1982

Balance Sheet as at 30th September, 1982

Liabilities	1982 \$'000	1981 \$'000	Assets	1982 \$'000	1981 \$'000
Authorised capital: 14,000,000 ordinary shares of \$1 each	14,000	14,000	Cash	10	219
Issued capital: 7,500,000 ordinary shares of \$1 each, fully paid	7,500	7,500	Deposits with Reserve Bank	2,990	109,200
Reserves	120,007	101,978	Deposits with Australia and New Zealand Banking Group Limited	2,521	1,887
Balance profit and loss account	12,802	11,841	Australian public securities (a) Commonwealth of Australia – Treasury notes	182,735	76,385
	140,309	121,319	– other	162,644	155,426
Deposits	2,474,690	2,334,574	(b) Local & Semi Government Other public securities	631,914	634,746
Provision for income tax	13,993	16,723		8,657	7,915
Bills payable and other liabilities	102,425	79,412	Balances due by other banks	8,400	3,000
			Loans less provision for doubtful debts	1,692,678	1,529,859
			Shares in subsidiary	5,000	5,000
			Other securities	8,091	2,691
			Other assets	25,777	25,700
	2,731,417	2,552,028		2,731,417	2,552,028

Profit and Loss Account for the year ended 30th September, 1982

Expenses of management and interest paid	265,595	211,084	Discount and interest earned, commission and other items	317,464	262,148
Income tax expense	23,407	23,262			
Operating profit for year	28,462	27,802			
	317,464	262,148		317,464	262,148
Transfer to reserves	18,000	16,000	Balance brought forward	11,840	9,739
Dividend	9,500	9,700	Operating profit for year	28,462	27,802
Balance carried forward	12,802	11,841			
	40,302	37,541		40,302	37,541

* Abridged format for information purposes only

Esanda Limited

Summary of the Consolidated Audited Accounts* as at 30th September, 1982

Balance Sheet as at 30th September, 1982

Liabilities	1982 \$'000	1981 \$'000	Assets	1982 \$'000	1981 \$'000
Authorised capital: 100,000,000 ordinary shares of \$1 each	100,000	100,000	Deposits with Australia and New Zealand Banking Group Limited	4,351	6,622
Issued capital: 95,000,000 ordinary shares of \$1 each, fully paid	95,000	95,000	Deposits at call and short term investments	15,450	29,300
Capital reserve	146	146	Receivables, less provisions and less income yet to mature \$598,223 (1981 \$511,922)	2,189,937	1,969,022
General reserve	92,000	77,000	Premises and equipment	11,717	12,118
Balance profit and loss account	49,789	39,984	Other assets	1,150	690
	236,935	212,130			
Debenture stock Maturing within one year \$407,389 (1981 \$313,888)	1,175,072	995,165			
Unsecured notes and deposits Maturing within one year \$634,860 (1981 \$602,197)	732,212	736,690			
Provision for income tax	12,784	12,281			
Other liabilities	65,602	61,486			
	2,222,605	2,017,752		2,222,605	2,017,752

Profit and Loss Account for the year ended 30th September, 1982

Expenses of management and interest paid	324,420	245,207	Discount and interest earned commission and other items	395,873	306,013
Income tax expense	33,548	26,921			
Operating profit for year	37,905	33,885			
	395,873	306,013		395,873	306,013
Transfer to general reserve	15,000	—	Balance brought forward	39,984	17,899
Dividend	13,100	11,800	Profit for year	37,905	33,885
Balance carried forward	49,789	39,984			
	77,889	51,784		77,889	51,784

* Abridged format for information purposes only

ANZ Banking Group (New Zealand) Limited

Summary of the Consolidated Audited Accounts* as at 30th September, 1982

Balance Sheet as at 30th September, 1982

Liabilities	1982 NZ\$'000	1981 NZ\$'000	Assets	1982 NZ\$'000	1981 NZ\$'000
Authorised capital: 100,000,000 ordinary shares of NZ\$1 each	100,000	100,000	Cash and short term funds	20,113	16,884
Issued capital: 53,320,800 ordinary shares of NZ\$1 each, less 215,440 shares uncalled	53,105	44,223	Treasury bills	20,782	18,700
Reserves	39,398	16,451	New Zealand Government, local authority securities and other investments	318,360	407,266
Balance profit and loss account	16,802	19,551	Cheques in course of collection and balances with other banks	41,559	19,244
	109,305	80,225	Loans and advances	1,843,561	1,514,006
Loan Funds	10,000	15,000	Bills receivable and remittances in transit	63,683	34,579
Deposits	2,014,673	1,825,061	Bank acceptances	83,358	42,288
Proposed final dividend	4,779	5,307	Premises and equipment	40,420	33,263
Provision for taxation	7,443	2,710	Investment in associated companies	1,731	1,936
Due to other banks	96,217	49,944	Loans to associated companies	4,804	4,528
Bank acceptances	83,358	42,288	All other assets	29,626	22,912
Bills payable, other provisions and other liabilities	142,222	95,071			
	2,467,997	2,115,606		2,467,997	2,115,606

Profit and Loss Account for the year ended 30th September, 1982

Expenses of management and interest paid	292,964	220,933	Discount and interest earned, commission and other items	362,625	276,274
Income tax expense	33,385	25,428			
Operating profit for year	36,276	29,913			
	362,625	276,274		362,625	276,274
Transfer to reserves	29,725	10,043	Balance brought forward	19,551	8,494
Dividend — interim	4,778	3,537	Operating profit for year	36,276	29,913
— proposed final	4,779	5,307	Extraordinary items	257	31
Balance carried forward	16,802	19,551			
	56,084	38,438		56,084	38,438

* Abridged format for information purposes only

Finance Corporation of Australia Limited

Summary of the Consolidated Audited Accounts* as at 30th September, 1982

Balance Sheet as at 30th September, 1982

Liabilities	1982 \$'000	1981 \$'000	Assets	1982 \$'000	1981 \$'000
Authorised capital	100,000	100,000	Liquid funds	31,825	12,332
Issued capital	73,500	73,500	Investments	218	339
Balance profit and loss account	12,975	(870)	Receivables, less provisions and less income yet to mature \$170,999 (1981 \$185,177)	423,440	381,640
	86,475	72,630	Premises and equipment	1,459	1,510
Debenture stock Maturing within one year \$162,289 (1981 \$102,777)	345,628	271,331	Development ventures	8,874	8,905
Deposits and bills payable	23,643	54,870	Other assets	1,005	535
Provision for income tax	4,781	3,667			
Other liabilities	6,294	2,763			
	466,821	405,261		466,821	405,261

Profit and Loss Account for the year ended 30th September, 1982

Expenses of management and interest paid	59,598	48,601	Discount and interest earned, commission and other items	81,942	65,012
Income tax expense	8,835	3,661	Extraordinary items	—	156
Profit for year	13,509	12,906			
	81,942	65,168		81,942	65,168
Balance brought forward (after prior period adjustment)	(534)	(13,776)	Profit for year	13,509	12,906
Balance carried forward	12,975	(870)			
	13,509	12,906		13,509	12,906

* Abridged format for information purposes only

Australia and New Zealand Banking Group Limited and its Subsidiaries

Consolidated Statement of Source and Application of Funds

for the year ended 30th September, 1982

Source of Funds	1982 \$'000	1981 \$'000
Group operating profit after income tax expense	180,472	175,395
Add: Extraordinary items involving funds	7,377	29,247
Add: Depreciation and other items not involving the outlay of funds in current period	97,073	61,410
Funds derived from operations	284,922	266,052
New share issues including premium on issue	2,123	2,377
Increases in:		
Minority shareholders' interests	7,385	2,114
Deposits and borrowings by subsidiaries	1,963,560	1,445,049
Bills payable and all other liabilities	1,523,874	357,624
Regulatory deposits with central and other banks	53,127	—
	3,834,991	2,073,216

Application of Funds

Payment of dividends	58,513	53,463
Increases in:		
Premises, equipment and other fixed assets (net)	50,915	23,474
Liquid assets	1,048,547	145,402
Investments other than trade investments	303,432	97,743
Regulatory deposits with central and other banks	—	100,809
Loans, advances and net receivables	2,288,382	1,651,622
All other assets	85,202	703
	3,834,991	2,073,216

Analysis of Shareholdings

Twenty Largest Shareholders

As at 9th November, 1982, the twenty largest shareholders held 78,584,004 shares, which is equal to 37.6 per cent of the total issued capital of 209,141,096 fully paid shares of \$1 each. They were:—

Shareholders	No. of Shares	%
A.N.Z. Nominees Limited G.P.O. Box 2842AA Melbourne 3001	14,885,132	7.1
C.T.B. Nominees Limited Sydney Account C/- The Registrar Commonwealth Trading Bank of Australia Box 4122 Sydney N.S.W. 2001	13,558,130	6.5
Australian Mutual Provident Society 535 Bourke Street Melbourne 3000	12,035,556	5.8
National Nominees Limited P.O. Box 84A Melbourne 3001	7,568,679	3.6
The National Mutual Life Association of Australasia Limited 447 Collins Street Melbourne 3000	5,372,589	2.6
Bank of New South Wales Nominees Pty Limited The Wales House 66 Pitt Street Sydney N.S.W. 2000	3,488,010	1.7
Nenom and Company Inc. Care New England Merchants National Bank of Boston One Washington Mall Boston Massachusetts U.S.A. 02108	3,033,524	1.5
The Pearl Assurance Co. Limited High Holborn London WC1	2,410,305	1.2
Government Insurance Office of New South Wales 60-70 Elizabeth Street Sydney N.S.W. 2000	2,159,178	1.0
The Mutual Life and Citizens Assurance Co. Ltd 44-46 Martin Place Sydney N.S.W. 2000	1,649,384	0.8
Eagle Star Insurance Company Limited 'H' Account 1 Threadneedle Street London EC2R 8BE	1,582,028	0.7
Midland Bank (Head Office) Nominees Limited 27-32 Poultry London EC2	1,500,000	0.7
Provident and Pensions Holdings Pty Limited G.P.O. Box 872K Melbourne 3001	1,303,820	0.6
T & G Mutual Life Society Limited Corner Russell and Collins Street Melbourne	1,292,385	0.6
Williams & Glyn's Bank Limited "B.E.B." Account 20 Birchin Lane London EC3P 3DP	1,254,812	0.6
State Superannuation Board 37 York Street Sydney N.S.W. 2000	1,157,000	0.6
B.S.C. Pension Fund Trustee Limited 9 Albert Embankment London SE1 7SN	1,096,868	0.5
Commercial Nominees Pty Limited 343 George Street Sydney NSW 2000	1,089,794	0.5
Refuge Assurance Co. Ltd 103 Oxford Street Manchester U.K.	1,081,052	0.5
O P F Nominees Pty Limited G.P.O. Box 483 Sydney N.S.W. 2001	1,065,758	0.5
	78,584,004	37.6%

Voting Rights of Shareholders The articles provide for: — on a show of hands: 1 vote
— on a poll: 1 vote for each share held

Directors' Shareholding Interests

	Beneficial As at 21st October, 1982	Non-beneficial As at 21st October, 1982
Sir William Vines	1,874	—
J. D. Milne	4,274	—
M. D. Bridgland	1,000	—
R. T. Brunskill	2,000	—
E. H. Burgess	542	—
D. C. L. Gibbs	3,750	—
C. J. Harper	600	—
W. J. Holcroft	2,635	—
A. G. Kilpatrick	3,900	—
Sir James McNeill	—	—
Sir Laurence Muir	5,635	—
G. M. Niall	—	15,000
*L. M. Papps	—	—
	26,210	15,000

There were no changes in directors' shareholding interests in the Company between 21st October, 1982 and 26th November, 1982, except that Sir James McNeill purchased 3,000 shares in the capital of the Company on 16th November, 1982.

*In addition, Mr. L. M. Papps has a beneficial interest in 4,400 shares in a related company, ANZ Banking Group (New Zealand) Limited and also a non-beneficial interest in 13,200 shares in that company.

Average Size of Shareholdings

As at 9th November, 1982 the average size of shareholding was 5,170 (1981, 4,636).

Distribution of Shareholdings

Range	Number of holders	% of holders	Number of shares 000's	% of shares
1 to 1,000	21,096	52.2	9,620	4.6
1,001 to 5,000	16,367	40.5	34,668	16.6
5,001 to 10,000	1,794	4.4	12,267	5.9
Over 10,000	1,195	2.9	152,586	72.9
	40,452	100.0	209,141	100.0

Category of holder

Category of holder	Number of holders	% of holders	Number of shares 000's	% of shares
Men	15,322	37.9	22,728	10.9
Women	16,106	39.8	23,629	11.3
Joint Accounts (Individuals)	3,650	9.0	7,567	3.6
Banks and Insurance Companies	1,198	3.0	50,359	24.1
Trustee companies	276	0.7	5,209	2.5
Pension Funds	103	0.3	14,261	6.8
Nominee Companies	822	2.0	55,127	26.3
Other	2,975	7.3	30,261	14.5
	40,452	100.0	209,141	100.0

Five year statistical summary

For the year	Amounts in \$'millions				
	1978	1979	1980	1981	1982
Group operating profit	75.9	107.1	136.0	175.4	180.5
Including					
— Australian Trading Bank (excluding dividends) †	27.7	50.7	57.0	78.3	71.5
— Australian Savings Bank	19.0	22.0	24.9	27.8	28.5
— New Zealand Group (excluding minority interests)	—	—	10.8	16.1	20.6
— Esanda	25.3	28.3	30.7	33.9	37.9
— Finance Corporation of Australia	—	—	7.6	12.8	13.5
Group operating profit and extraordinary items	79.2	114.9	149.1	204.6	187.8
Dividends paid	19.3	29.2	37.4	53.5	58.5
Number of times dividend covered by profits	3.9	3.7	3.6	3.3	3.1
Return on shareholders' funds	14.2%	17.0%	17.3%	18.9%	17.0%
Per share					
Dividends — declared rate	20.0¢	22.0¢	24.0¢	28.0¢	28.0¢
Earnings (on average capital, adjusted for bonus issues)	39.0¢	56.3¢	65.8¢	84.3¢	86.5¢
Net assets	\$5.28	\$4.98	\$5.67	\$5.34	\$5.08
Net assets (adjusted for bonus issues)	\$2.73	\$3.22	\$3.78	\$4.45	\$5.08
Year end					
Issued capital	101.4	126.7	138.5	173.7	209.1
Shareholders' funds	535.4	631.6	785.0	928.2	1062.8
Total external liabilities	9,760.2	11,125.1	13,662.7	15,820.1	19,643.7
Ratio of external liabilities to shareholders' funds	18.2:1	17.6:1	17.4:1	17.0:1	18.5:1
Total assets	10,300.2	11,763.3	14,460.7	16,763.4	20,729.0
Total deposits	6,740.1	7,357.3	8,794.5	9,822.0	11,514.7
Trading Bank deposits†	4,732.6	5,150.2	4,944.2	6,190.8	7,323.1
Trading Bank advances, loans etc.†	3,610.5	3,942.8	4,194.3	5,283.1	6,572.8
Australian Savings Bank deposits	1,771.9	1,931.1	2,059.8	2,334.6	2,474.7
Esanda total assets	1,276.5	1,456.4	1,710.9	2,017.8	2,222.6

† Includes New Zealand Trading Bank for years 1978 and 1979.



AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED

Notice of Meeting

Notice is hereby given that the fourteenth Annual General Meeting of Australia and New Zealand Banking Group Limited will be held at the 46th Floor, 55 Collins Street, Melbourne, on Monday, 17th January, 1983, 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, 1982 and the reports of the directors and auditors thereon.
2. To declare a final dividend for the year ended 30th September, 1982:
The directors have proposed a dividend of 14 cents per share payable to members entered on the register at the close of business on 5th January, 1983.
3. To elect directors:
Mr E. H. Burgess, Mr C. J. Harper and Mr W. J. Holcroft retire by rotation in accordance with the Company's Articles of Association and, being eligible, offer themselves for re-election. Mr M. D. Bridgland and Sir James McNeill 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 resolution as an ordinary resolution:
"That the Company approves a Scheme to be called "the ANZ Bank Senior Officers' Share Purchase Scheme" to be established by the Board of Directors in accordance with Rules, a copy of which is submitted to the Meeting and for the purpose of identification signed by the Chairman being a scheme involving the issue of partly paid ordinary shares in the Company to Eligible Officers (as defined in the said Rules) upon the terms and conditions contained in the said Rules but subject to the limitations that —
 - (i) the total par value of Scheme Shares (as defined in the said Rules) held at any time by Eligible Officers and of any bonus shares issued in respect of such shares shall not exceed 2% of the issued capital of the Company at that time; and
 - (ii) the maximum aggregate number of Scheme Shares for which an Eligible Officer shall be entitled to subscribe shall be 50,000 shares."

6. To consider and, if thought fit, to pass the following special resolutions:

- (i) That the Articles of Association of the Company be altered by deleting Article 18 and inserting the following new Article 18 in its place —
"Subject to the conditions of issue of any share the Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and each member shall (subject to the Company giving to him at least 14 days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine".
- (ii) That the Articles of Association of the Company be altered by adding the following sentence to Article 129 at the end thereof —
"Notwithstanding the foregoing provisions of this Article and the provisions of Article 117 the holder of any share of the Company from time to time being otherwise than fully paid up (whether as to the nominal amount or premium, if any, payable in respect thereof) shall be entitled to participate in any appropriation, allotment and distribution pursuant to this Article as if such share were fully paid up if it is a term of the issue of such share that the holder thereof shall be entitled to so participate".
- (iii) That the Articles of Association of the Company be altered by deleting paragraph (b) of Article 11 and inserting the following new paragraph in its place —
"(b) No shares shall be issued if their issue would involve a breach of the Official Listing Requirements of the Australian Associated Stock Exchanges unless compliance with the Listing Requirement or Requirements concerned has been waived by the Member Exchanges of the Australian Associated Stock Exchanges."

By Order of the Board,
L. C. Graham, Secretary,
Melbourne.
2nd December, 1982.

Information for Shareholders

Share Register

The transfer books of the Company will be closed at 5 p.m. on the 5th January, 1983, to determine members' entitlements to the dividend.

Proxies

A member entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend and vote instead of the member. Where more than one proxy is appointed, each proxy must be appointed to represent a specific proportion of the member's voting rights. A proxy need not be a member of the Company. A form of proxy is attached. In order to be valid, forms of proxy (properly completed) must be lodged at the respective offices 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 13th Floor, 55 Collins Street, Melbourne, Victoria, Australia;
- (ii) In the case of members registered on the New Zealand Register of the Company, at the office at which the Branch Share Register is kept at 27-35 Mercer Street, Wellington, New Zealand;
- (iii) In the case of members registered on the London Register of the Company, at the office at which the Branch Share Register is kept at 6 Greencoat Place, London SW1P 1YU, 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 5th January, 1983 and, for the nomination to be effective, it must be lodged with the Secretary at the Registered Office of the Company, 13th Floor, 55 Collins Street, Melbourne, by that date.

Special Business

Item 5 – ANZ Bank Senior Officers' Share Purchase Scheme

At the Annual General Meeting of the Company held on 21st January, 1980, shareholders approved establishment of the Company's Employee Share Purchase Scheme, which was designed to encourage staff at all levels to participate in the capital of the Company.

The proposed additional scheme, participation in which will be confined to Senior Officers of the Group, will involve the issue of partly paid ordinary shares in the Company ("Scheme Shares") to Senior Officers of the Company and certain of its subsidiaries as determined by the Directors.

Approximately 260 Senior Officers will be involved. The Scheme Shares will be issued at market price but will be payable as to 10 cents only on application with the balance being payable in accordance with a call made at the instigation of the officer or in the event of cessation of employment of the officer for any reason and in certain other events at the instigation of the Directors.

Scheme Shares will not rank for dividends until they have been fully paid up for one entire dividend ranking period but otherwise will carry the same rights as are conferred on partly paid shares by the Articles of Association of the Company. Upon any Scheme Shares becoming fully paid up, application will be made to have them quoted on all Stock Exchanges upon which the Company's ordinary shares are quoted. The total par value of Scheme Shares held at any time by Senior Officers and of any bonus shares issued in respect of such shares is not to exceed 2% of the issued capital of the Company at that time and the maximum aggregate number of Scheme Shares for which a Senior Officer can subscribe will be 50,000 shares. However, the most common entitlement will be 10,000 shares with fewer than 25 officers qualifying for additional entitlements up to the limit of 50,000.

Copies of the proposed Rules of the Scheme will be available for inspection at the Transfer Office of the Company and the offices in Australia, New Zealand and London at which the branch share registers are kept during usual business hours on any week day (Saturdays and public holidays excepted) up to and including 14th January, 1983.

Note:

The Executive Directors will abstain from voting at the Meeting on the resolution to approve the Scheme.

Items 6(i), (ii) and (iii) – Amendments to the Articles of Association of the Company

It is proposed to amend Articles 11, 18 and 129 of the Company's Articles of Association to enable the Senior Officers' Share Purchase Scheme to be implemented and, in the case of Article 11, to bring that Article more closely in line with the Official Listing Requirements of the Australian Associated Stock Exchanges.



For office use only

Australia and New Zealand Banking Group Limited

Form of Proxy

I/WE.....
(Full name in block letters)

of..... being (a) member(s) of
(Full address)

Australia and New Zealand Banking Group Limited, and holding..... ordinary

shares, hereby appoint..... or failing him/her the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Monday, 17th January, 1983, and at any adjournment thereof.

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

No.	Item	For	Against
1.	To adopt the Report of the Directors, and the Accounts		
2.	To declare a final dividend		
3.	To re-elect Mr. E. H. Burgess as a director		
4.	To re-elect Mr. C. J. Harper as a director		
5.	To re-elect Mr. W. J. Holcroft as a director		
6.	To re-elect Mr. M. D. Bridgland as a director		
7.	To re-elect Sir James McNeill as a director		
8.	To approve the establishment of the ANZ Bank Senior Officers' Share Purchase Scheme in terms of Item 5, under Special Business, in the Notice of Meeting.		
9.	To approve the alteration to the Articles of Association of the Company (Article 18) in terms of Item 6(i), under Special Business, in the Notice of Meeting.		
10.	To approve the alteration to the Articles of Association of the Company (Article 129) in terms of Item 6(ii), under Special Business, in the Notice of Meeting.		
11.	To approve the alteration to the Articles of Association of the Company (Article 11) in terms of Item 6(iii) under Special Business, in the Notice of Meeting.		

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

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

Notes:

- (a) A member entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend and vote instead of the member.
- (b) A proxy need not be a member of the Company.
- (c) A member, should he/she so desire, may appoint the Chairman of the Meeting as his/her proxy.
- (d) Where more than one proxy is appointed, each proxy must be appointed on a separate form to represent a specific proportion of the member's voting rights. If required, an additional proxy form will be supplied by the Company on request.
- (e) To be valid, this form of proxy must be lodged at the Transfer Office of the Company at 13th Floor, 55 Collins Street, Melbourne, Victoria 3000 not less than 48 hours before the meeting.
- (f) In the case of a corporation this form of proxy shall be either given under its common seal or signed on its behalf by an attorney or duly authorised officer of the corporation.
- (g) If this form of proxy is executed under power of attorney which has not been noted by the Company, the instrument must accompany the form of proxy.
- (h) In the case of joint holders, the signature of the senior shall be accepted to the exclusion of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members in respect of the joint holding. Nevertheless, the names of all joint holders should be shown.

