



**Australia and New Zealand  
Banking Group Limited**

**Annual Report, 1983**

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## 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, 1983 group assets totalled \$22,726 million.*

*ANZ transferred its domicile from England to Australia in 1976. About 74 per cent of the shares are now registered in Australia, 25 per cent in the United Kingdom and one per cent in New Zealand.*

*The Bank has 1,439 points of representation around the world, including 1,195 in Australia. World-wide staff total 25,991, of whom 21,565 are in Australia. About 1,970 of the total staff are part-time employees.*

*There are substantial banking operations in New Zealand, 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 in New Zealand. Other financial services include travel, trustee, general insurance, investment, nominee and Bankcard. Merchant banking facilities are provided through the 40 per cent-owned Australian International Finance Corporation (AIFC), a New Zealand subsidiary, UDC Mercantile Securities and will be added to and supplemented through Development Finance Corporation. The Bank has links with correspondent banks throughout the world.*

## The Company's Objectives

*ANZ's basic objective 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:*

- develop, in addition to its major Australian and New Zealand activities, a substantial international presence*
- achieve a high standard of performance in all its operations*
- maximise contributions from its key resources of staff, equipment and capital*
- pursue personnel policies which recognize the aspirations and skills of individual staff*
- be innovative and responsive to the needs of its customers, bearing in mind its responsibilities as a custodian of their funds*
- be an efficient and responsible corporate citizen wherever it operates.*

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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, 16th January, 1984. 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 17th January, 1984. Copies of the address will be available from:  
Public Relations Department — 55 Collins St., Melbourne.  
Public Relations — 55 Gracechurch St., London.  
Branch Banking Services Department-ANZ Banking Group (New Zealand) Ltd — 215-229 Lambton Quay, Wellington, New Zealand.

A copy of the Bank's 1983 Report to Staff is available to any shareholder on request to any of the three points listed above.

## Financial Calendar

### Results

|                         |   |
|-------------------------|---|
| First half:             | Announced 23rd May, 1983                      |
| Full year:              | Announced 21st November, 1983                 |
| Annual Report:          | Circulated 20th December, 1983                |
| Annual General Meeting: | To be held in Melbourne on 16th January, 1984 |

### Dividends

|                    |   |
|--------------------|---|
| Interim:           | Announced 23rd May, 1983<br>Paid 1st July, 1983                 |
| Recommended final: | Announced 21st November, 1983<br>To be paid 20th February, 1984 |

### Administrative Headquarters and Registered Office:

55 Collins Street, Melbourne, Victoria, 3000

Telephone number: (03) 658 2955

Secretary: L. C. Graham

Controller: C. A. Griss

Solicitors: Blake & Riggall

Auditors: Peat, Marwick, Mitchell & Co.

## The Year in Brief

Group operating profit increased by 9.7 per cent to \$197.9 million.

A one-for-ten bonus issue announced — the fifth bonus issue in six years.

A \$92 million takeover bid for Development Finance Corporation, Sydney-based investment banking group, was made and successfully completed since the year end.

ANZ Executors & Trustee Co. Ltd. established to manage trust business purchased from The Trustees Executors & Agency Co. Ltd.

ANZ Bankcard outstandings top \$300 million and links with international Visa Card re-established by the Bank.

ANZ the first major trading bank in Australia to provide Night & Day Bank, an automated telling service, 24 hours a day, every day.

One third of managerial staff attend courses at our Melbourne residential training college; 7,000 younger staff attend State courses.

ANZCASH, a computerised, corporate cash management service launched.

## Financial Highlights

|  | 1983       | 1982       | %Increase |
|--|------------|------------|-----------|
| <b>For the years ended 30th September (\$'000)</b>         |            |            |           |
| Group operating profit .....                               | 197,900    | 180,472    | 9.7       |
| Including  |            |            |           |
| — Australian Trading Bank .....                            | 83,348     | 71,455     | 16.6      |
| — Australian Savings Bank .....                            | 29,145     | 28,462     | 2.4       |
| — New Zealand Group (excl. minority interests) .....       | 25,174     | 20,580     | 22.3      |
| — Esanda .....   | 38,954     | 37,905     | 2.8       |
| — Finance Corporation of Australia .....                   | 13,741     | 13,509     | 1.7       |
| Group operating profit and extraordinary items .....       | 197,750    | 187,849    | 5.3       |
| Dividends .....  | 63,072     | 58,513     | 7.8       |
| Number of times dividend covered by profits .....          | 3.14       | 3.08       |           |
| Return on shareholders' funds .....                        | 16.6%      | 17.0%      |           |
| <b>Per share</b>   |            |            |           |
| Dividend — declared rate .....                             | 28.0¢      | 28.0¢      |           |
| Earnings on fully-paid capital at end of year .....        | 94.4¢      | 86.3¢      |           |
| Net assets on fully-paid capital at end of year .....      | \$5.70     | \$5.08     |           |
| <b>At year end (\$'000)</b>                                |            |            |           |
| Paid-up capital .....                                      | 209,746    | 209,141    | 0.3       |
| Shareholders' funds .....                                  | 1,194,876  | 1,062,822  | 12.4      |
| Total external liabilities .....                           | 21,502,475 | 19,643,736 | 9.5       |
| Ratio of external liabilities to shareholders' funds ..... | 18.0:1     | 18.5:1     |           |
| Total assets .....   | 22,726,353 | 20,729,037 | 9.6       |
| <b>The organisation</b>                                    |            |            |           |
| Number of shareholders .....                               | 41,551     | 40,452     |           |
| Number of employees .....                                  | 25,991     | 24,393     |           |
| Points of representation .....                             | 1,439      | 1,414      |           |

## Directors



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

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

Sir William is deputy chairman of Tubemakers of Australia Ltd., and a director of CRA Ltd. and Dalgety Australia Ltd. Group. He is chairman of the Sir Robert Menzies Memorial Trust and of the Council of Hawkesbury Agricultural College and a member of the Australia-New Zealand Foundation. Sir William is based in Sydney and farms in the New England area of New South Wales. Aged 67; a director since October, 1976 and chairman since January, 1982.

### **J. D. Milne, Managing Director**

Mr Milne has had 43 years' experience in banking. He is on the boards of the Bank's main subsidiaries. He is also a member of the Science and Industry Forum and the executive of the Australia-Korea Business Co-operation Committee and is treasurer of The Baker Institute. Aged 61; 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., vice president (and a director) of the Business Council of Australia and a director of the Australian Institute of Petroleum Ltd. Aged 61; a director since February, 1982.

### **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 Ltd. Group, G. & R. Wills (Holdings) Ltd., deputy chairman of Advertiser Newspapers Ltd. and a director of Executor Trustee and Agency Co. of South Australia Ltd. Group. Aged 67; 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., Folkestone (Australia) Ltd. and BGJ Holdings Pty. Ltd. and is a director of the London merchant bank, Antony Gibbs Holdings Ltd. Aged 56; 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 Carlton and United Breweries Ltd., Dulux Australia Ltd., E Z Industries Ltd. and IBM Australia Ltd. Aged 52; a director since October, 1976.

### **W. J. Holcroft, A.O.**

Mr Holcroft retired in 1980 as managing director of Brambles Industries Ltd. His directorships include Australian Development Corporation Ltd., Australian Wool Corporation, Caltex Australia Ltd., The Commonwealth Industrial Gases Ltd., Nucleus Ltd. and Royal Prince Alfred Hospital (Sydney). His background is in finance and accountancy. He lives in Sydney. Aged 61; a director since October, 1976.



**A. G. Kilpatrick, Deputy Managing Director**

Mr Kilpatrick joined the Bank in 1941. He was appointed chief general manager in August, 1982 and deputy managing director in November, 1983. 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 59; a director since October, 1981.

**Professor Dame Leonie Kramer, D.B.E.**

Dame Leonie is professor of Australian Literature at the University of Sydney. She is a noted author and editor and serves on a number of scholastic committees. Dame Leonie was a member of the Australian Broadcasting Commission from 1977 and chairman of that Commission from 1982 until recently. She lives in Sydney. Aged 59; appointed a director in August, 1983.

**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 Australian Manufacturing Council. Aged 67; a director since 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., National Commercial Union Ltd., Herald and Weekly Times Ltd.,

Wormald International Ltd., Liquid Air Australia Ltd. (chairman) and Alex Harvey Industries Ltd. Sir Laurence serves on several government bodies, the General Motors Australian Advisory Council and a number of charitable and community organisations. Aged 58; a director since August, 1980.

**G. M. Niall**

Mr Niall is a solicitor and senior 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 67; a director since October, 1976.

**L. M. Papps**

Mr Papps lives in New Zealand and is a solicitor and senior partner in Bell Gully and Co. He is chairman of ANZ Banking Group (New Zealand) Ltd., N.Z. Forest Products Ltd., U.E.B. Industries Ltd., Emco Group Ltd., Odmins Ltd. and New Zealand Railways Corporation. His other directorships include The National Mutual Life Association of Australasia Ltd. in New Zealand. Aged 64; a director since October, 1976.

Unless otherwise stated directors live in Melbourne.

## Chairman's Report

Group profit rose by 9.7 per cent to \$198 million, with worthwhile contributions from all the group's main areas of activity. The relatively modest increase in profit in relation to the current rate of inflation reflects the generally depressed level of business activity which prevailed in Australia and throughout the world during the year. As a consequence, demand from the private sector for bank finance was subdued and substantial additions to provisions for doubtful debts were necessary.

The profit represented a return of 16.6 per cent on shareholders' funds and both earnings and asset backing per share increased over the previous year.

A bonus issue of shares, the fifth in the past six years, is proposed by directors on the basis of one new ordinary share of \$1 fully paid for every 10 shares held. The new shares will be entitled to participate in the final dividend of 14 cents per share, making a total of 28 cents for the year.

Staff will again share in the improved profit which they have helped so materially to create under difficult conditions. The distribution to staff under our profit sharing scheme will amount to \$10,390,000, an increase of almost \$800,000 over last year.

During the year there were several significant new developments in the Bank's continuing program of refining and expanding its range of financial services.

In June, 1983 we acquired the trust operations of The Trustees Executors & Agency Co. Ltd., giving ANZ access to a number of new activities which we believe have attractive growth and profit potential and provide a new range of services for our customers.

In August, 1983 the Bank announced a cash takeover bid worth nearly \$92 million for all the issued capital of the investment banking group, Development Finance Corporation Ltd. (DFC). Subsequently, this offer was amended to include a share alternative. The directors of DFC recommended our offer and acceptances have been received from over 95 per cent of the holders of DFC shares. We are now proceeding to acquire complete ownership of the company.

DFC has a variety of financial interests, including unit trusts, merchant banking and money market activities. It has an excellent financial record and will be a valuable addition to the ANZ group. There are good growth prospects, particularly in New South Wales, where at present ANZ's share of the finance market is less than our national average, but where DFC is based and has achieved its greatest market penetration. With our extensive branch network, both in NSW and Australia-wide, ANZ is well placed to promote DFC's services to a much wider customer base than previously.

While the two acquisitions I have just mentioned were the biggest and most public initiatives the Bank undertook in 1983, significant progress also was made in other areas in expanding our product range and refining our systems.

Other new personal sector products launched included ANZ Mortgage Fund, offering secure, flexible, high-yielding investment in mortgage loans, and American Express/ANZ Gold Card, a prestige new travel and entertainment card which includes an ANZ-provided line of credit. The Bank has also re-established links with the international Visa card organisation. From February, 1984 the ANZ Visa card will be available to customers as a world-wide credit card and also for use through our Australian branches and Night & Day Banks.

Product and service innovation has not been restricted to the Bank's retail banking activities. In both our corporate and international areas there has been continued emphasis on developing a 'full service' relationship with our customers. Progress achieved in this regard during 1982-83 is outlined on page nine, in the Review of Operations.

The back-up and support provided by the Bank's various service departments has and will continue to complement the efforts of departments that deal directly with customers to diversify their product range and improve the quality of their service.

Action has been taken in recent years to up-grade our computer and communication systems, staff training activities and advertising and promotional programs, with the ultimate objective of establishing ANZ as a more progressive, efficient competitor in the market place.

I believe the Bank is well positioned to enhance its place in the more competitive, innovative financial system that has developed as a result of Australia's progressive relaxation of official regulations on banks and other financial intermediaries.

Our Bank fully supports the trend towards a less regulated financial system. Apart from facilitating greater economic efficiency, the community benefits as individuals and companies are provided with financial services and facilities attuned to their specific needs.

In particular, ANZ welcomes the support expressed by the Reserve Bank in its 1983 annual report for the removal of remaining controls on bank interest rates. These controls have been a considerable impediment to banks in performing their essential financial role in the community.

We also welcome the changes in official exchange rate policy announced in October, 1983. These represent an additional important step in the process of reducing regulation.

We note with approval that the committee established by the Federal Government (the Martin Review Group) to report on the Australian financial system was asked to have regard to the Campbell Committee's recommendations and to take account of the Government's economic and social objectives as well as the need to improve the efficiency of the financial system.

It is our view that steps taken towards achieving a more market-oriented system are helping to attain the desirable objectives the Campbell Committee said would follow such a course.

Naturally we are pleased that in 1982-83 the banking sector recovered some of the share of the financial system it had been losing progressively for some time. This was due to the combined impact of the recession, the improved competitiveness of banks and the changing emphasis of monetary policy, which now embraces all participants in a more equitable manner than the previous narrowly-based banking controls.

There are signs of improvement in the Australian economy in the year ahead. One encouraging factor is the strengthening economic recovery in the United States, although its international impact as yet remains uncertain.

Australia tends to have a delayed reaction to world economic trends. Nevertheless, there are already some positive local indicators, including significantly improved prospects for the rural sector and for dwelling construction, a slow-down in domestic wage inflation, a significant easing in interest rates, an apparent ending to the run-down in stocks and indications of growth in total employment. It needs to be recognised, however, that consumer demand is yet to exhibit any underlying strength and that the outlook for private sector investment in 1983-84 remains weak.

Overall, the economic outlook is distinctly better than at this time last year, with the Australian economy set to return to positive, albeit modest growth in 1983-84.

If economic recovery is to be sustained, further substantial progress must be made in reducing Australia's unacceptably high level of price inflation and restoring the international competitiveness and profitability of Australian business. Only in such an environment will wealth-creating investment and stable employment growth occur. The private sector holds the key to our economic future. Real, sustainable growth will not be achieved unless this sector is able to operate in a framework that is conducive to enterprise, innovation and expansion. Containment of the costs of labour, services and taxation in its many forms will be essential.

ANZ's results obviously will benefit from any economic up-turn in Australia and other key countries where it conducts business. With this prospect and the knowledge that we have a settled, competent staff and a high calibre senior management team, I believe we can look ahead with optimism.

 Chairman

# Review of Operations

## The Year's Results

Consolidated operating profit for the year to 30th September, 1983, excluding extraordinary items and minority interests, was \$197.90 million, an increase of 9.7 per cent on the 1982 result of \$180.47 million. Including an extraordinary items loss of \$0.15 million (\$7.38 million profit in 1982), consolidated profit was \$197.75 million, compared with \$187.85 million in 1982.

Consolidated profit came from the following sources:

|   | 1983    | 1982    | %      |
|---|---------|---------|--------|
|   | \$'000  | \$'000  | change |
| Australian Trading Bank                       | 83,348  | 71,455  | +16.6  |
| Australian Savings Bank                       | 29,145  | 28,462  | + 2.4  |
| New Zealand Group                             | 25,174  | 20,580  | +22.3  |
| Esanda  | 38,954  | 37,905  | + 2.8  |
| Finance Corporation of Australia              | 13,741  | 13,509  | + 1.7  |
| ANZ Finance (Far East)                        | 4,211   | 4,671   | - 9.8  |
| Australia and New Zealand Banking Group (PNG) | 753     | 1,394   | -46.0  |
| Other subsidiary companies                    | 2,574   | 2,496   | + 3.1  |
| Consolidated operating profit                 | 197,900 | 180,472 | + 9.7  |
| Extraordinary items                           | (150)   | 7,377   |        |
| Consolidated profit                           | 197,750 | 187,849 | + 5.3  |

Despite a generally depressed level of business activity, the Australian trading bank recorded a satisfactory increase in profit, compared with the profit downturn in the previous year. An improvement in interest rate margins from the low 1981-82 level and a more moderate increase in salary costs contributed to the improved result. Increased doubtful debt provisions in Australia and overseas again influenced the results.

The Australian savings bank achieved strong deposit growth in high interest rate accounts and there was a reduction in the level of passbook accounts. Consequently interest rate margins were reduced to the extent that there was only a modest increase in profit.

The depressed level of business and consumer demand adversely affected the results of the Australian finance subsidiaries, Esanda and FCA. Esanda's results also were adversely affected by a higher incidence of bad debts.

New Zealand operations were again very successful and made a valuable contribution to the group result. Both the trading bank and UDC had good profit increases, reflecting expanding business volumes and international operations.

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

|   | 1983             |              | 1982             |              |
|---|------------------|--------------|------------------|--------------|
|   | \$'000           | %            | \$'000           | %            |
| <b>Income</b>   |                  |              |                  |              |
| Interest received   | 2,562,480        |              | 2,381,469        |              |
| Less interest paid  | 1,747,805        |              | 1,670,307        |              |
| Net interest received                                       | 814,675          | 66.1         | 711,162          | 65.5         |
| Commission and other income (including extraordinary items) | 417,056          | 33.9         | 375,016          | 34.5         |
| <b>Total income</b>   | <b>1,231,731</b> | <b>100.0</b> | <b>1,086,178</b> | <b>100.0</b> |
| <b>Expenses</b>   |                  |              |                  |              |
| Salaries  | 365,169          | 29.7         | 328,785          | 30.2         |
| Other personnel expenses                                    | 125,149          | 10.2         | 114,516          | 10.5         |
| Building occupancy expenses                                 | 94,872           | 7.7          | 83,218           | 7.7          |
| Other expenses  | 285,284          | 23.1         | 231,099          | 21.3         |
| Total expenses  | 870,474          | 70.7         | 757,618          | 69.7         |
| Income tax  | 154,906          | 12.6         | 133,555          | 12.3         |
| Dividends   | 63,072           | 5.1          | 58,513           | 5.4          |
| Minority shareholders' interests                            | 8,601            | 0.7          | 7,155            | 0.7          |
| Retained earnings (including reserves)                      | 134,678          | 10.9         | 129,337          | 11.9         |
| <b>Total</b>  | <b>1,231,731</b> | <b>100.0</b> | <b>1,086,178</b> | <b>100.0</b> |

## Dividends

Directors recommend that a final dividend of 14 cents a share be paid to shareholders registered in the books of the company at the close of business on 23rd January, 1984. The dividend will be payable on 20th February, 1984.

An interim dividend of 14 cents a share was paid on 1st July, 1983.

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 23rd January, 1984.

## Bonus Issue

Directors have announced a proposal for a one-for-ten bonus issue of \$1 ordinary shares, to be made by capitalising part of the asset revaluation reserve.

The new shares will participate in the recommended final dividend of 14 cents a share. Shares to be issued as part of the takeover of Development Finance Corporation Ltd. will also participate in the bonus issue.

The directors expect, in the absence of unforeseen circumstances, to pay dividends at an annual rate of not less than 28 cents a share on the increased capital.

Shareholders will be asked to approve the bonus issue at the annual general meeting on 16th January, 1984.

## The Australian Banking Environment

During the year Reserve Bank policy was administered with the objective of keeping monetary conditions firm, while ensuring that appropriate levels of money were available to meet the conservatively assessed requirements of the community. Substantial funds were made available to the



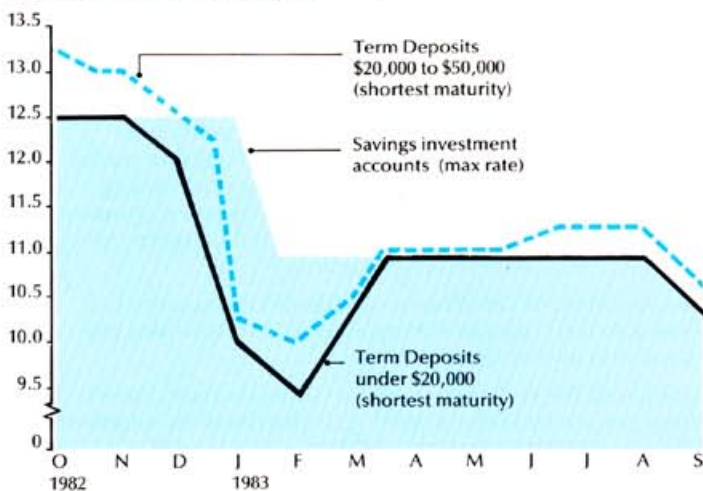
rural sector to meet carry on and hardship needs of drought affected borrowers.

Market conditions were tight early in the year, but liquidity pressures and interest rates eased considerably in November/December 1982. Subsequently, interest rates fluctuated, mainly in response to movements in U.S. financial markets and resultant exchange rate variations and funds flows. Major disturbances in local financial markets occurred around the time of the March Federal election. A significant development in the Australian money market over the past year was the responsiveness to U.S. interest rates and currency movements. At times this led to volatility in security yields, sometimes contrary to the domestic liquidity situations.

Usage of overdraft facilities fluctuated widely in the larger customer sector, where falling demand was accentuated by the interchange of financing between local non-bank and offshore markets. The 7.6 per cent growth in average trading bank advances for the year was significantly below the 13.4 per cent increase in 1981-82. This was due mainly to lower overdraft usage and relatively easy liquidity during the 1983 tax drain period.

Interest rates generally trended downwards during the year, apart from the usual seasonal increase around the March quarter tax run-down period. Interest rate movements in the \$100,000 and over lending sector were more frequent, reflecting banks' desire, where practicable, to set market-oriented lending rates to encourage greater continuity of usage. In the under \$100,000 category, banks voluntarily reduced both trading and savings bank lending interest rates within the official ceilings, which remained unchanged.

#### Interest rate relativities (%p.a.)



All savings banks' average deposits in the year to September, 1983 rose by 17.0 per cent. This growth was assisted by competitive deposit facilities and a marked slowing in the level of term funds required by trading banks to support lower lending growth.

#### Trading Bank in Australia

Total ANZ trading bank deposits averaged \$6,424 million for the year to September 1983. This was 8.4 per cent more than in the previous year, and compared favourably with major trading bank average growth of 7.6 per cent.

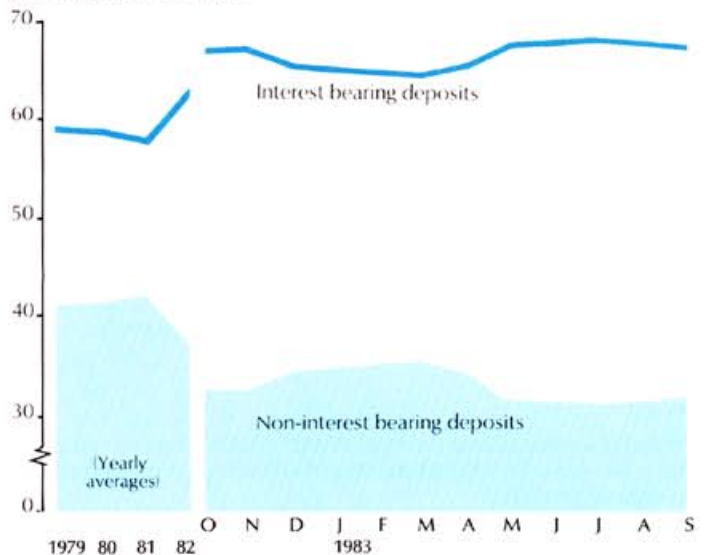
Relatively high interest rates, increasing interest rate consciousness contributed to a further shift from current not bearing interest deposits to term deposits. On average, current not bearing interest deposits accounted for 33.1 per cent of ANZ's trading bank deposits in 1982-83, compared with 36.8 per cent in 1981-82. This movement put pressure on interest margins.

Term deposit growth slowed in 1982-83, averaging 14.3 per cent for the year, compared with 25.3 per cent in 1981-82. As indicated, this trend reflected, in part, the significant decline in trading bank lending growth as a result of the recession.

This, together with the factors affecting overdraft usage, resulted in ANZ average advances growing by 9.5 per cent to \$5,058 million in the year to September, 1983. In 1981-82 advances rose by 13.1 per cent.

#### ANZ Trading Bank deposits (Australia)

Percentage of total deposits



#### Savings Bank in Australia

ANZ's average savings deposits for the year increased by 17.4 per cent to \$2,863 million, well above the 5.5 per cent growth for the previous year. ANZ's share of all savings bank deposits rose to 10.03 per cent, from 9.93 per cent in the previous year.

An important contribution to ANZ deposit growth came from Investment Accounts. This trend was helped by the reversal of interest rate relativities with trading bank term deposits, mainly during the December, 1982 to February, 1983 period, and by the removal of the 30 day notice of withdrawal requirement in July, 1982. Deposits in ANZ Access Accounts continued to grow rapidly, reflecting the competitive interest rate offered and the Bank's strong marketing emphasis.

Competition for household savings was reflected in the increased proportion of savings bank deposits held in higher interest accounts. It is expected that this trend will be sustained, adding to the savings bank's overall cost of deposits.

A feature of the savings bank's operations during the year was the strong increase in new lending for housing, as indicated in the following table.

|      | Loans  | \$ Millions |
|------|--------|-------------|
| 1981 | 11,779 | 281.5       |
| 1982 | 10,335 | 265.9       |
| 1983 | 12,954 | 356.5       |

#### Retail Banking

ANZ strives continually to improve and expand its range of products and services to help satisfy the constantly changing needs of its personal and commercial customers.

The established Area Banking structure is being further refined to ensure that the Bank remains well placed to provide specialist services and prompt decisions at the point of need. Area Banking is regarded as intrinsic to ANZ's endeavours to enhance its competitiveness in the retail banking market.

The Australian branch network has been selectively extended or up-graded to service growth areas. During the last year seven new branches and 14 service centres were opened. In addition eight sub-units were up-graded to full branch status and another eight were re-fitted as service centres. Six branches were closed where there was dual representation.

Full representation details are shown on page 14.

### Electronic Banking

The automated telling machine (ATM) program, promoted under the Night & Day Bank label, has continued to develop. By the end of December, 1983 a network of about 150 Night & Day Banks will be in operation. During 1982-83 the service was extended to 24 hours, seven days a week, ANZ being the first major trading bank to provide this facility around Australia. It provides customers with access to 10 banking services.

As part of the Bank's plan to provide customers throughout Australia with the benefits of electronic banking, teller terminals and associated systems were installed at 19 pilot branches in Melbourne's Ringwood Area. Customers may obtain the latest information on their accounts during the day and conduct transactions through any on-system branch without prior arrangement.

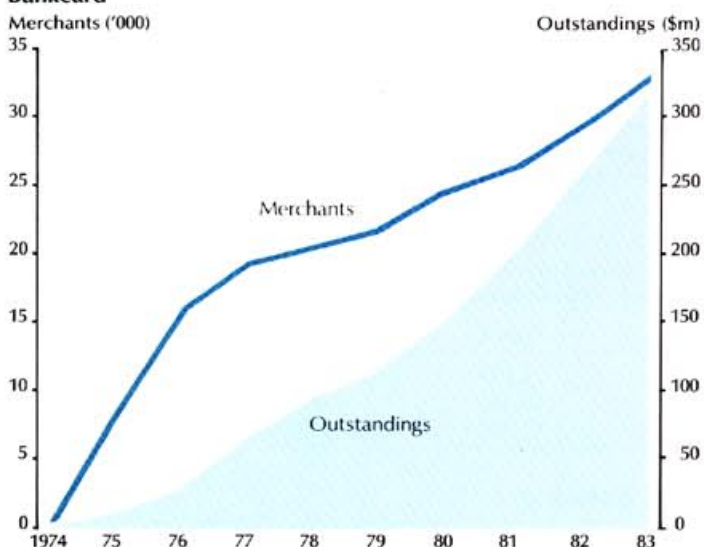
### Bankcard

Bankcard is an important component of ANZ's range of retail banking services. In 1982-83 Bankcard activities continued to show steady growth.

Total merchant outlets rose by 15.9 per cent to 33,413 during the year. Merchant sales increased by 23.8 per cent, despite the generally restrained level of consumer spending. However, merchant income growth slowed, as a result of intense service fee competition.

Cardholder account numbers increased by 12.2 per cent to 693,000 and, in line with merchant sales increases, total cardholder outstandings rose by 23.8 per cent to \$321 million. Income growth from these outstandings continued to be curtailed by the relatively narrow margin between the cost to the Bank of raising funds and the 18 per cent per annum credit charge which has been unchanged since 1974.

### Bankcard



### Other ANZ Card Services

The Bank has extended its range of plastic cards to ensure retail banking customers have flexibility to meet their financial and transaction needs.

**Tranzaction Card** is an exclusive ANZ card which accesses Night & Day Bank machines and, in addition, now identifies customers wishing to transact business at any Australian

branch. Tranzaction Card will be an important link in providing customer advantages to flow from electronic banking initiatives.

**Blue Ribbon Card** is another exclusive ANZ card available to personal depositors who qualify to use it. These users are provided with attractive concessions and benefits.

### American Express Gold Card

In conjunction with American Express International Inc., ANZ introduced this prestige card in November, 1982.

### ANZ Visa Card

In July, 1983 the Bank, in conjunction with Visa International, agreed to provide Australian customers with a charge card with world-wide acceptance. The first of these ANZ Visa cards will be issued in February, 1984. The card's immediate attraction will be to overseas travellers. It will also be available for use at selected retail and service establishments throughout Australia.

Visa International will progressively withdraw from service arrangements for Visa merchants in Australia. ANZ will compete strongly for the on-going service requirements of these merchants and to acquire new outlets.

### Travel

Through 48 centres, staffed by some 300 experienced personnel, ANZ Travel has continued to expand its operations, which now occupy a prominent position in the retail travel trade. Turnover of \$80 million in 1982-83 represented 10 per cent sales growth, an acceptable result given the current industry recession.

### Financial Services

The Bank took some important initiatives during the year to broaden its range of consumer financial services.

In June, 1983 a wholly-owned subsidiary, ANZ Executors & Trustee Co. Ltd., was formed to take over the trust business of The Trustees Executors & Agency Co. Ltd.

ANZ now provides all the traditional trustee company services including: estate administration, charitable trusts, taxation and accounting services, common funds (being authorised trustee investments), corporate services (trustee for debentures and other securities, custodian trustee for unit trusts, etc.) and mortgage lending.

The acquisition of Development Finance Corporation Ltd. will enable the group to enlarge its unit trust activities and expand into investment banking.

Throughout the year there was increasing demand from retired people and others seeking professional management of investment funds through the Bank's Investment Management Service. To help cater further for these needs a new service — ANZ Mortgage Fund — has been introduced and is expected to have strong appeal. It is proposed to expand services available in this area, which currently cover the provision of public retirement fund facilities for employees and self-employed people and the management of private portfolios and superannuation funds.

The high level of portfolio investment in Australia by overseas investors, particularly during the second half of the year, was reflected in increased usage of the services provided by ANZ Nominees Ltd. Computerisation of this activity is well advanced and will result in more comprehensive and sophisticated service to clients.

### Management Services

#### Data Processing

To ensure that the Bank's on-line systems are supported effectively, a second Melbourne computer centre has been completed. It will provide the necessary back-up to the main centre.

## Communications

An office automation system covering word processing, electronic mail, filing and retrieval, which recently was installed in administrative headquarters, is now being extended to administrations throughout Australia. It is designed to interface with the Bank's on-line data communications network and will, over the next few years, be extended to most branches.

To support this facility and to rationalise the use of communication lines, new switchboards are being installed in State Administrations, Area offices and some branches. The Bank's private telephone network has been expanded to provide rapid and cost effective access to most points of representation. Integration of voice, data, text and image communication lines is being studied to contain the Bank's high and increasing telecommunication costs.

## Premises

A further 20 branches were up-graded during the year, as part of an on-going program of premises modernisation and re-development.

Additionally, a new Area office was built at Brookvale, NSW to service the Manly/Warringah area, and a complex has been bought at Double Bay, NSW for use as Eastern Suburbs Area office. A contract has been let for extensions to the Victorian State Administration building at 287 Collins St., Melbourne.

## Methods and General Administration

Following review of the Bank's filing systems and retention of records, a records management function has been established, responsible for all filing and storage policies and practices, both hard copy and electronic.

It has also been decided to up-grade the Bank's archives. ANZ has probably the finest collection of banking records and artifacts in Australia. To preserve and present these properly, an ANZ Museum of Banking and Money is to be established in the basement of the historic "Gothic" branch at 388 Collins St., Melbourne. The museum will include space for student research and public display. It is expected to be opened to the public towards the end of 1984.

## Advertising and Public Relations

The level and scope of advertising by financial organisations has risen greatly in recent years. To ensure that it remains competitive, the Bank has substantially increased both its advertising and public relation budgets.

As part of this thrust, the Bank announced in May, 1983 a major advertising sponsorship covering the Olympic Games in Los Angeles in 1984.

ANZ plans to continue its long-standing involvement as a major sponsor of the Miss Australia Quest, which raises funds to support spastic children and adults. Additional support for this worthy cause will be provided by helping the Australian Cerebral Palsy Association, together with local community groups, to organise "ANZ Superwalk", a national fund raising activity scheduled for May, 1984.

The Bank also donates to a wide range of charitable, research and cultural activities as a tangible indication of its community responsibilities. In addition Bank staff are encouraged to join community service groups and to work voluntarily for charitable organisations.

## Corporate Banking

ANZ maintained its position as a pre-eminent banker to the corporate sector during 1982-83. With the operational base successfully established over recent years, and on-going innovation and development, sound progress should be sustained.

Depressed economic conditions during the latest year necessitated additional attention to managing corporate loans.

The downturn in demand for new or increased advances from traditional borrowers was used to good advantage by redeploying resources towards business development activities. Results have been particularly pleasing.

Australia's largest companies have become increasingly oriented towards offshore financing and to meet this demand ANZ has developed a number of new funding capabilities. Particular attention has been given to international finance markets, but there has also been emphasis on improving the Bank's ability to provide borrowing facilities from the more traditional markets.

ANZ is a leading banker to Australia's major mining and resource-related groups. Financing for a number of resource development projects was arranged during 1983, but involvement in this type of financing activity remains selective. Resource projects to which ANZ made a significant commitment during the year include the Dampier to Perth gas pipeline in Western Australia, the Newlands/Collinsville coal project in Queensland and the Cooper Basin oil/gas project in South Australia.

The Bank has successfully expanded its involvement in the important and rapidly growing Australian State and semi-government market segment. As an indication of its capabilities in this area ANZ provided the back-up credit facility for a commercial paper issue in the U.S. by the State Electricity Commission of Queensland. This is the first time an Australian bank has played such a role in the U.S. commercial paper market. It is intended to take a lead role in arranging other such facilities in the future.

The Bank continues to expand its leveraged leasing activities.

ANZ sees its role in the corporate area broader than that of lender. The Bank aims to meet a customer's funding needs and places great importance on developing a "full service" relationship with corporate customers. Several initiatives in this regard are planned for the coming year to supplement expansion in 1982-83 of the corporate services area.

The Bank has launched its own cash management system, ANZCASH, rather than seek a franchised system from abroad. This system, with in-house capabilities and planned enhancements, should ensure ANZ market leadership in cash management services.

## International Banking

For ANZ 1982-83 was a year for re-positioning and refining its plans and policies in the international arena. Offshore operations again made a substantial contribution to the Bank's overall results, despite depressed activity world-wide.

In the European region, rationalization of London branch is now complete, leaving the way clear to plan for a major expansion of the business base in Europe in the wholesale area.

The Bank's U.S. operations weathered difficult market conditions very satisfactorily. A pleasing development was the U.S. Court of Appeal's decision to uphold the powers of the Comptroller of the Currency under the International Banking Act, which permits the establishment of Federal Branches by foreign banks. ANZ established its New York and Chicago branches under these powers.

To cater for expected future needs, New York branch is moving to new premises at 120 Wall St. and is investigating options for broadening its customer base and the services it provides. Chicago branch continues to consolidate profitably in its market. Los Angeles branch and Houston representative office are also making valued contributions. Both are positioning the Bank in important markets which, while experiencing difficult operating conditions, continue to offer significant growth potential.

In the Asia/Pacific area, the Bank's Hong Kong operation, ANZ Finance (Far East) Ltd., made a satisfactory profit contribution, in spite of the uncertainties in its local market.

Singapore branch continued its very good progress and Tokyo representative office provides a meaningful presence for ANZ in Japan, pending the time when a branch operation can be established.

Developments in Australia have included strengthening Sydney staff resources to meet the market demand for the Bank's recently up-graded foreign exchange dealing capacity and an expanded role for the international customer services group. In Melbourne, there has also been sharper focus on customer services and further up-grading of the main trading room is planned.

The recently announced changes to Australia's exchange rate policies were positively received and quickly implemented by ANZ.

The new policies should remove elements of speculation which existed previously. The more market oriented environment will enable Australian companies to transact their foreign exchange business with greater confidence.

ANZ's Australian and New Zealand operations were connected to SWIFT (Society of Worldwide Interbank Financial Telecommunications) in November, 1982 and New York branch followed in September, 1983. A key advantage of the wide range of standardised message types offered by SWIFT is its basis for further computerisation and standardisation of the Bank's funds transfer, information collation and message transmission systems.

## New Zealand

The 22.3 per cent profit increase achieved by the 75 per cent owned subsidiary, ANZ Banking Group (New Zealand) Ltd., was most pleasing given the substantial fluctuations in deposit growth and credit demand and the increasingly controlled and uncertain environment the Bank has had to operate in.

Fluctuations in deposit growth reflected, in particular, the concentration of Government debt raising in short periods and variations in the level of net overseas capital inflow. The annual growth rate of all trading bank deposits accelerated over the six months to March, 1983, peaked at 16.8 per cent then fell to 3.7 per cent over the June quarter, reflecting mainly the flow of funds to the first Government Kiwi Savings Stock issue. Subsequently, deposit growth increased again.

Demand for credit eased over the year as economic activity slowed and business sector liquidity improved. Growth in bank lending accordingly declined as the year progressed. Economic activity is expected to increase during 1984, although monetary policy is likely to remain tight to ensure that inflation is contained.

In late July, 1983, the Prime Minister announced reductions in public sector interest rates and encouraged private sector institutions to do likewise. Most have now reduced rates and, with inflation substantially reduced, a lower level of interest rates should be sustained in 1984.

Important international banking developments have occurred with nine new foreign exchange licences granted and substantial technical changes made to the way in which foreign exchange activities are transacted.

Another development over the past year was the extension of a network of "Autobank" automated telling machines, operated by ANZ in a joint venture with the Bank of New Zealand. New services introduced include direct debiting, Bankcard Business Card and Gold Mastercard.

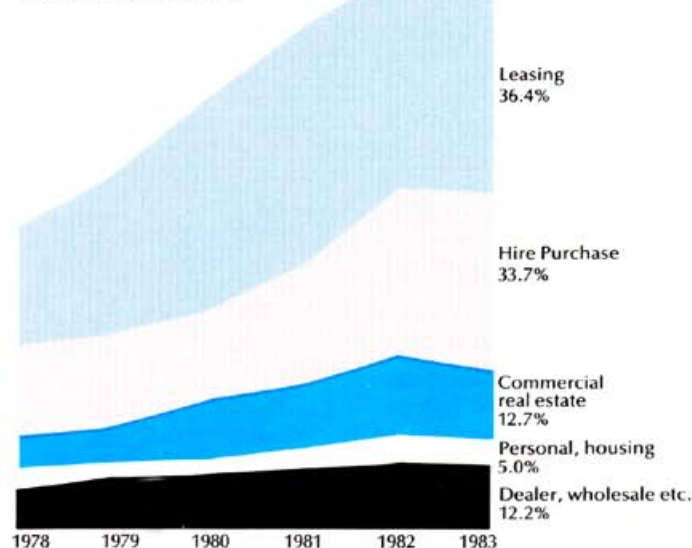
The Bank continues to expand representation and recently has opened new outlets at the rate of nearly one a month. The new 18-storey New Zealand headquarters building in Wellington is now almost complete.

## Esanda

Esanda continued its unbroken run of profit increases in 1982-83 — the 28th year since its incorporation. The 2.8 per cent increase in profit was achieved despite difficult economic conditions throughout the year.

Reflecting depressed demand in both the personal and business sectors, the volume of new lending fell by 10.1 per cent to \$961 million. This contributed to an increase in average net outstandings of only 0.5 per cent, compared with an increase of 15.2 per cent in the previous year.

### Esanda's Business Mix



Writings of hire purchase and personal loans were at satisfactory levels considering the economic circumstances. Lease business improved in the second half, but demand for commercial and real estate finance was at a low level throughout the year. Reduced levels of motor vehicle registrations were reflected in a lower level of wholesale and dealer loan outstandings.

A Factoring and Business Service Department was launched successfully in Melbourne late in 1982 and is now well established.

There was a reduced need for prospectus funds during 1982-83, because of the strong cash flow from existing business and lower demand for new business. Investor support for stock and note issues was high and two issues were closed early. Interest rates stabilised somewhat in 1983 after the volatility of 1982. Rates, nevertheless, remained at high levels.

The depressed economic climate, incorporating high unemployment and widespread drought, led to substantially increased levels of bad and doubtful debts. The 1982-83 total was \$21.5 million, compared with \$7.3 million in 1981-82.

## Finance Corporation of Australia

FCA's net profit rose 1.7 per cent from \$13.5 million to \$13.7 million.

The company experienced difficult trading conditions early in the year but there was a substantial improvement in the second half. FCA, along with other financiers, was affected by the general state of the economy and in particular by the depressed state of the building industry and pressures on small to medium-sized businesses.

Net outstandings, which fell from \$427 million to \$403 million in the six months to March, 1983 recovered to \$437 million at 30th September, 1983. Competition for available business was strong but the company was able to obtain a gross profit margin in line with that achieved in the previous year.

The profit contribution from development venture activities fell from \$3.9 million to \$1.7 million in the latest year. Profits are recognised only after projects are developed, sold and settled, so the level of profits can be expected to vary from year to year.

Support for the company's debenture issues remains strong. FCA withdrew from the market for a short period during the year to reduce the flow of investment funds to a level commensurate with needs.

## Staff

The board acknowledges that the contribution of the staff was a crucial element in achieving this year's pleasing results.

One of the Bank's major objectives is to continue to raise the professionalism of the staff. About 24 per cent of career officers (1,900 males and 500 females) now either have a tertiary qualification or are working to achieve one. Such achievements are rewarded financially and enhance promotional prospects.

ANZ is also continuing to attract an increasing number of young people leaving tertiary institutions. More than 200 joined in 1982-83 and next year's target is 300.

In the year under review almost one-third of staff at management level attended one of 27 courses and seminars at the residential training college in Melbourne. In addition, 7,000 younger staff attended a variety of non-residential courses at training centres in State capitals. Younger staff also have access to self-development courses to do in their own time and more than 3,500 of these were completed in 1982-83.

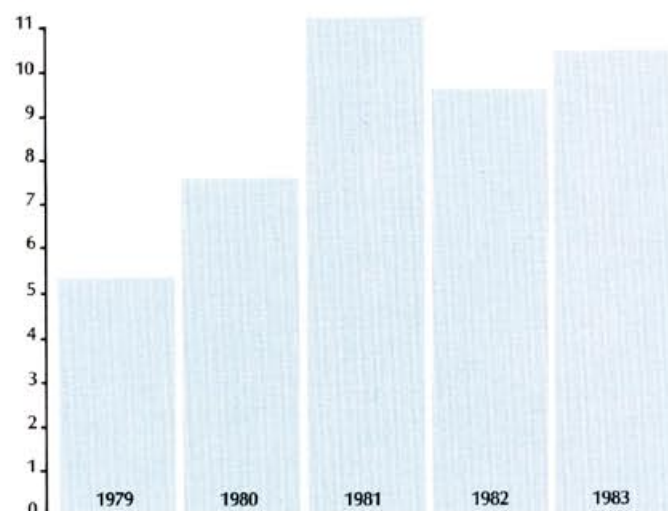
During the year, the banks and the Australian Bank Employees' Union agreed on a package which gave staff a rostered day off every four weeks, thus reducing average working hours under the Award from 40 to 38 a week. This was mainly in return for extended trading hours and an increased level of part-time employment.

Total staff increased from 24,393 to 25,991 during the year. The increase includes 142 staff associated with the trust business bought from The Trustees Executors & Agency Co. Ltd.

During the year, staff bought a further 409,950 shares under the employee share purchase scheme, bringing the total to 2,709,980 shares. At present, 36.2 per cent of eligible staff (those with five or more years' service) are shareholders under this scheme.

A separate share purchase plan for senior staff has been introduced and 1,819,000 partly-paid shares were issued.

**Profit participation payments to staff** (yearly)  
(\$m)



Staff will again receive a sizeable allocation under the staff profit sharing scheme. Provision has been made for a \$10.4 million distribution this year, compared with payments of \$9.6 million in 1982 and \$11.2 million in 1981.

## Senior Management Changes

Over the past year we lost, through retirement, the services of:

Mr. R. T. Brunskill — Chief General Manager and a director of the Bank

Mr. R. Ashton — Assistant General Manager, Accounting & Strategic Planning

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

Mr. F. J. Hughes, Assistant General Manager and Director of Data Processing, who completed his contract of employment and returned to the U.S., his home country.

The board wishes to acknowledge the valuable contributions made by each of these officers during their service.

In November, 1983 important changes in the group's executive structure were announced. They reflect ANZ's continuing expansion and top management succession planning.

As part of the changes, the Bank's top posts in NSW have been upgraded. This recognises Sydney's increasing importance as a financial centre and the Bank's objective of expanding its business base there.

The new senior management structure is shown on pages 12 and 13.

Managing Director

# Senior Management



J. D. Milne

A. G. Kilpatrick



W. J. Bailey



R. A. D. Nicolson

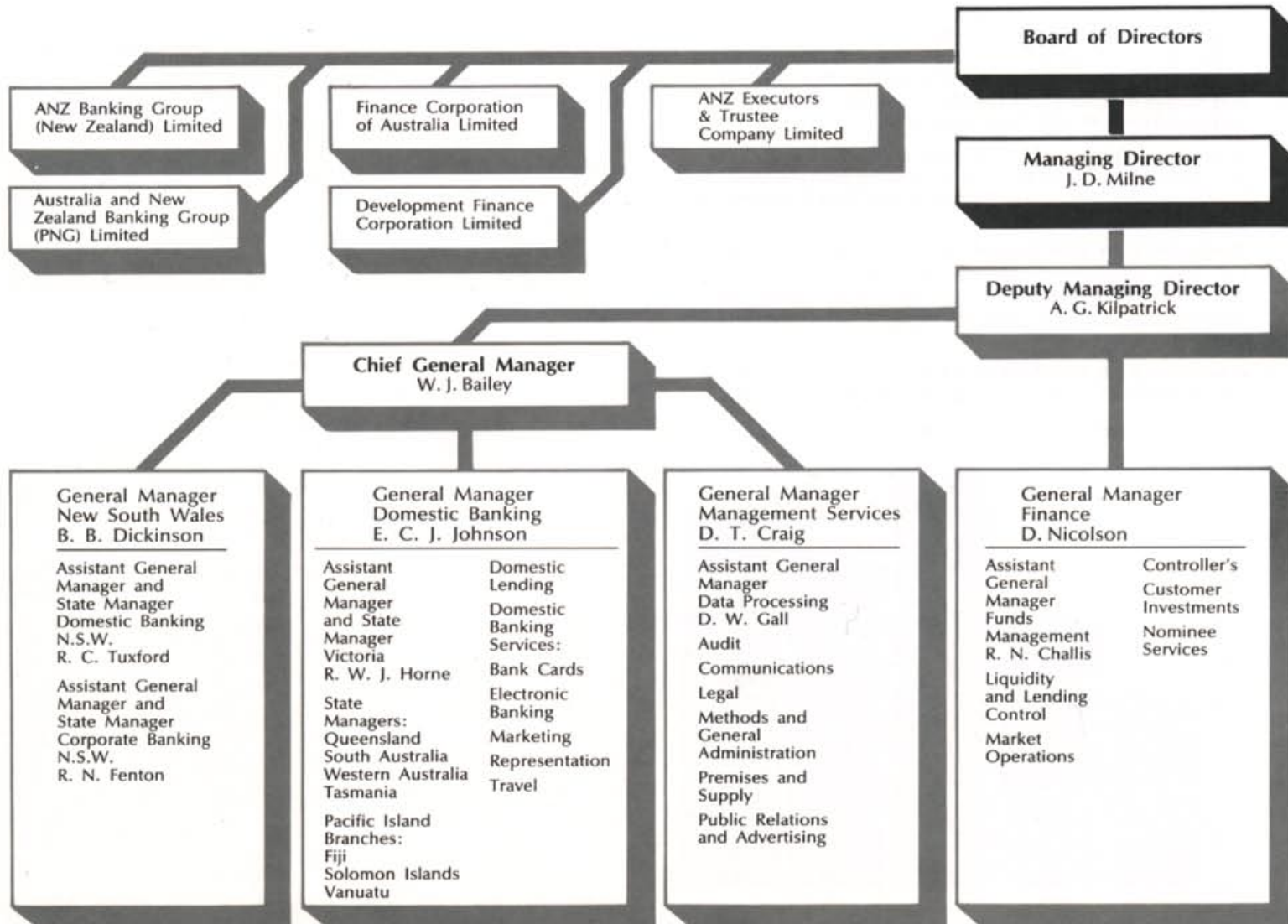


J. Hogarth



E. C. J. Johnson

# Organisation Structure as at December, 1983





R. K. W. Bennett



D. T. Craig



B. B. Dickinson



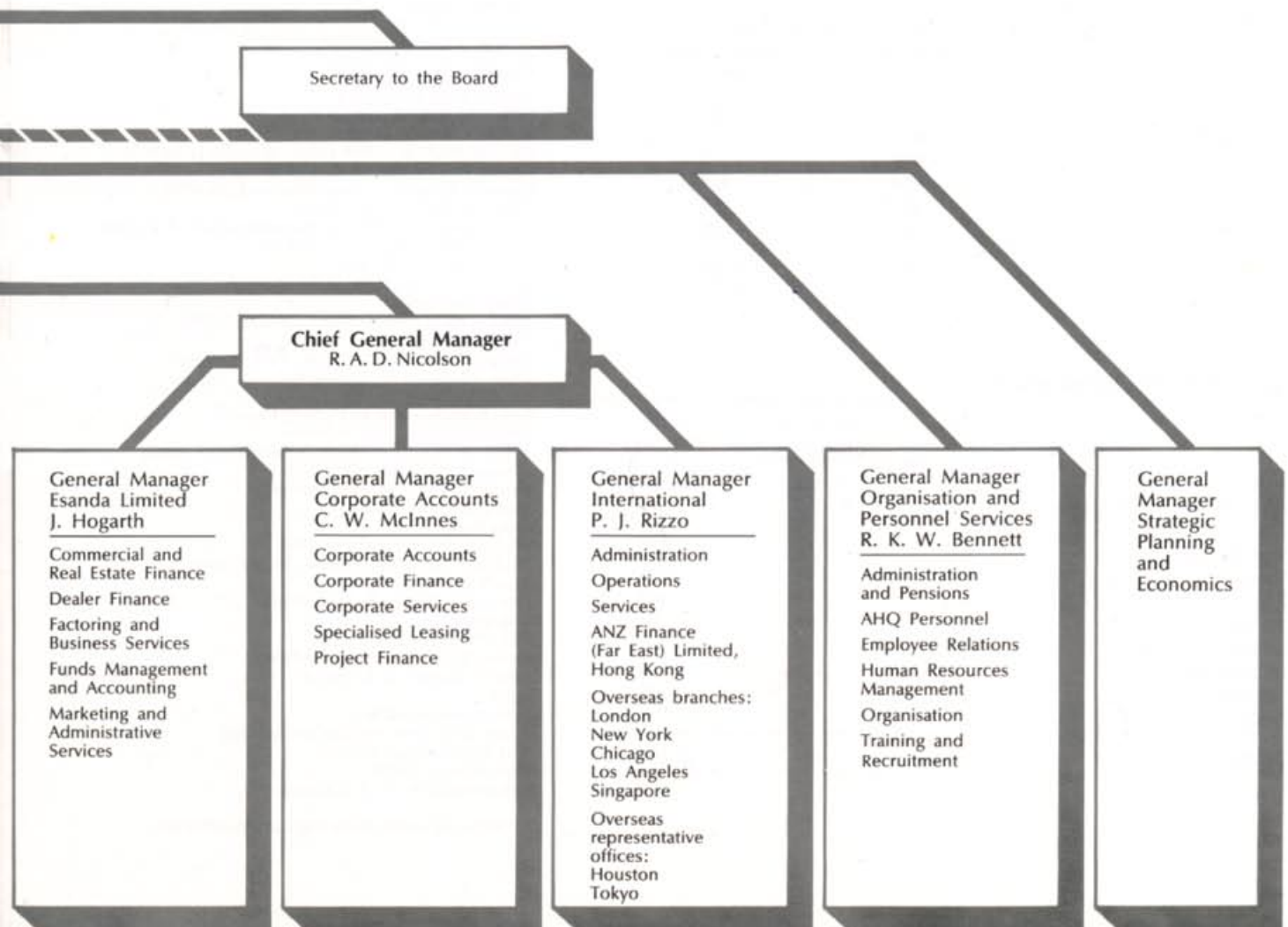
C. W. McInnes



D. (Jim) Nicolson



P. J. Rizzo



## Branches, Staff, Deposits and Assets

at 30th September, 1983

### Representation in Australia

|               | Branches   | Service Centres | Sub-branches | Agencies   | Total        |
|---------------|------------|-----------------|--------------|------------|--------------|
| Victoria      | 300        | 27              | 4            | 33         | 364          |
| NSW & ACT     | 271        | 17              | —            | 21         | 309          |
| Queensland    | 145        | 16              | 1            | 19         | 181          |
| SA & NT       | 139        | 5               | 1            | 53         | 198          |
| WA            | 80         | 8               | 2            | 13         | 103          |
| Tasmania      | 34         | 2               | 2            | 2          | 40           |
| <b>Totals</b> | <b>969</b> | <b>75</b>       | <b>10</b>    | <b>141</b> | <b>1,195</b> |

### Staff in Australia

|                             | Male          |               | Female        |              | Totals        |               |
|-----------------------------|---------------|---------------|---------------|--------------|---------------|---------------|
|                             | 1983          | 1982          | 1983          | 1982         | 1983          | 1982          |
| Administrative Headquarters | 1,080         | 972           | 662           | 598          | 1,742         | 1,570         |
| Victoria                    | 2,703         | 2,773         | 3,121         | 2,749        | 5,824         | 5,522         |
| NSW & ACT                   | 2,778         | 2,798         | 3,351         | 2,920        | 6,129         | 5,718         |
| Queensland                  | 1,406         | 1,391         | 1,540         | 1,377        | 2,946         | 2,768         |
| SA & NT                     | 1,159         | 1,167         | 1,105         | 1,017        | 2,264         | 2,184         |
| WA                          | 759           | 719           | 847           | 729          | 1,606         | 1,448         |
| Tasmania                    | 300           | 296           | 308           | 284          | 608           | 580           |
| Subsidiary coys.            | 213           | 136           | 233           | 172          | 446           | 308           |
| <b>Totals</b>               | <b>10,398</b> | <b>10,252</b> | <b>11,167</b> | <b>9,846</b> | <b>21,565</b> | <b>20,098</b> |

### Deposits in Australia

|               | Trading Bank \$m. | Savings Bank \$m. |
|---------------|-------------------|-------------------|
| Victoria      | 2,320             | 1,188             |
| NSW & ACT     | 1,945             | 792               |
| Queensland    | 1,043             | 569               |
| SA & NT       | 562               | 454               |
| WA            | 391               | 202               |
| Tasmania      | 167               | 84                |
| <b>Totals</b> | <b>6,428</b>      | <b>3,289</b>      |

### World Wide Distribution

|                          | Assets %     | Points of Representation | Staff Numbers |
|--------------------------|--------------|--------------------------|---------------|
| Australia                | 71.0         | 1,195                    | 21,565        |
| New Zealand (incl. UDC)  | 8.7          | 217                      | 3,371         |
| United Kingdom           | 10.1         | 2                        | 302           |
| United States of America | 4.9          | 4                        | 139           |
| Papua New Guinea         | 0.3          | 9                        | 277           |
| Fiji                     | 0.2          | 7                        | 168           |
| Vanuatu                  | 0.1          | 1                        | 29            |
| Solomon Islands          | 0.1          | 1                        | 45            |
| Hong Kong                | 1.1          | 1                        | 50            |
| Singapore                | 3.5          | 1                        | 40            |
| Japan                    |              | 1                        | 5             |
| <b>Totals</b>            | <b>100.0</b> | <b>1,439</b>             | <b>25,991</b> |

## Principal Establishments

at 5th December, 1983

### Victoria

287 Collins St., Melbourne  
Assistant General Manager and  
State Manager: R. W. J. Horne  
\*Principal Share Register  
55 Collins St., Melbourne

### New South Wales

\*20 Martin Place, Sydney  
General Manager: B. B. Dickinson  
Assistant General Manager and State Manager  
Domestic Banking:

R. C. Tuxford

Assistant General Manager and State  
Manager Corporate Banking:

R. N. Fenton

### Queensland

\*324 Queen St., Brisbane  
State Manager: A. T. L. Maitland

### South Australia

\*75 King William St., Adelaide  
State Manager: C. R. Pleydell

### Western Australia

\*84 St., George's Terrace, Perth  
State Manager: A. K. R. Watson

### 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

\*215-229 Lambton Quay, Wellington

General Manager: P. G. Gilbert

### United Kingdom

55 Gracechurch St., London

General Manager — Europe: R. Isherwood

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: P. W. Durney

### Hong Kong

ANZ Finance (Far East) Limited

9th Floor, Alexandra House, 16-20 Chater

Road Central, Hong Kong

General Manager: P. J. Burchette

### Singapore

10 Collyer Quay, No. 08-01

Ocean Building, Singapore 0104

Chief Manager: A. E. Archer

### Japan

Representative Office:

Room 1109, New Yurakucho Building,

12-1 Yurakucho, 1-Chome,

Chiyoda-ku, Tokyo

Representative: N. A. Cleland

\* Offices at which share registers maintained.



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## 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 pages two and three.

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 lending, leasing, investment and portfolio management and advisory services, nominee and custodian services, travel services, executor and trustee services and international banking. The only change in the nature of the group's activities during the year was the addition of executor and trustee services following acquisition of part of the trust business of The Trustees Executors & Agency Co.Ltd.

At 30th September, 1983, the Company and its subsidiaries had 1,439 branches, sub-branches, agencies, service centres and representative offices, as set out on page 14.

### Subsidiaries

The following subsidiaries were acquired or disposed of during the financial year:

|  | Consideration<br>\$'000 | Net tangible<br>assets acquired/<br>disposed<br>\$'000 |
|--|-------------------------|--|
| <b>Acquired:</b>   |                         |  |
| ANZ Executors & Trustee<br>Company Limited                   | —*                      | —*   |
| T.E.A. Nominees Limited                                      | 20                      | 20   |
| The Trustees Executors &<br>Agency Company<br>(Canberra) Ltd | (1)                     | (1)  |
| ANZ Executors Nominees<br>(NSW) Ltd                          | —*                      | —*   |
| Monge Pty Limited  | —*                      | —*   |
| Yarraga Pty Ltd  | —*                      | —*   |
| <b>Disposed of:</b>  |                         |  |
| St Albans Park Pty<br>Limited                                | —*                      | —*   |

\*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<br>Group Limited:               |        |
| Transfer to general reserve                                       | 70,000 |
| Transfer to specific provision for<br>doubtful debts              | 40,191 |
| Transfer to general provision for<br>doubtful debts               | 7,440  |
| Transfer to provision for long service<br>leave                   | 7,141  |
| Transfer to provision for non-lending<br>losses                   | 5,387  |
| Transfer from contingencies reserve                               | 6,986  |
| Australia and New Zealand Savings Bank<br>Limited:                |        |
| Transfer to general reserve                                       | 18,000 |
| Transfer from general reserve —<br>special dividend               | 20,000 |
| ANZ Banking Group (New Zealand)<br>Limited:                       |        |
| Transfer to general reserve                                       | 22,008 |
| Transfer to general provision for<br>doubtful debts               | 1,646  |
| Transfer to provision for long service<br>leave                   | 1,226  |
| Transfer to asset revaluation reserve                             | 7,867  |
| ANZ Savings Bank New Zealand Limited:                             |        |
| Transfer to general reserve                                       | 1,741  |
| UDC Group Holdings Limited:                                       |        |
| Transfer to general reserve                                       | 3,811  |
| Endeavour Investments (New Zealand)<br>Limited:                   |        |
| Transfer to asset revaluation reserve                             | 1,722  |
| Transfer to general reserve                                       | 4,446  |
| ANZ Properties (New Zealand) Limited:                             |        |
| Transfer to asset revaluation reserve                             | 1,725  |
| ANZ Properties (Australia) Limited:                               |        |
| Transfer to provision for depreciation                            | 1,960  |
| Esanda Limited:   |        |
| Transfer from general reserve                                     | 20,000 |
| Transfer to specific provision for<br>doubtful debts              | 2,250  |
| Finance Corporation of Australia<br>Limited:                      |        |
| Transfer from provision for diminution<br>of development ventures | 2,439  |
| Adelaide Group Data Limited:                                      |        |
| Transfer to capital reserve                                       | 1,708  |
| ANZ Finance (Far East) Limited:                                   |        |
| Transfer from capital reserve                                     | 1,232  |
| Transfer to specific provision for<br>doubtful debts              | 2,698  |

### Share and Debenture Issues

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

- Australia and New Zealand Banking Group Limited
  - 1,819,000 ordinary shares of \$1 each paid up to 10 cents per share to staff under the senior officer share purchase scheme
  - 409,950 ordinary shares of \$1 each fully paid issued to staff under the employee share purchase scheme.
- ANZ Banking Group (New Zealand) Limited
  - 255,000 ordinary shares of NZ\$1 each paid up to 10 cents per share to staff under the senior officer share purchase scheme.

ANZ Executors & Trustee Company Limited  
— 2,499,998 ordinary shares of \$1 each paid up to 40 cents per share to provide working capital.

ANZ Finance (Far East) Limited  
— 3,000,000 ordinary shares of \$1 each paid up to 10 cents per share to provide funds for its activities.

Esanda Limited  
— 20,000,000 ordinary shares of \$1 each fully paid by capitalising part of the general reserve.

UDC Group Holdings Limited  
— 15,000,000 ordinary shares of NZ\$1 each uncalled.

UDC Mercantile Securities  
— 2,000,000 ordinary shares of NZ\$2 each uncalled.

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

|  | Esanda Limited<br>\$'000 | Finance Corporation of Australia Limited<br>\$'000 | UDC Group Holdings Limited<br>NZ\$'000 |
|--|--------------------------|--|--|
| Debenture stock and unsecured notes at beginning of financial year | 1,849,618                | 342,202  | 206,316                                |
| Issued during year   | 405,386                  | 72,086   | 332,382                                |
|  | <u>2,255,004</u>         | <u>414,288</u>                                     | <u>538,698</u>                         |
| Redeemed during year   | 520,238                  | 85,655   | 270,853                                |
|  | <u>1,734,766</u>         | <u>328,633</u>                                     | <u>267,845</u>                         |
| Loans and deposits held at end of financial year                   | 32,208                   | 8,976  | 147,232                                |
| Total borrowed funds at end of financial year                      | <u>1,766,974</u>         | <u>337,609</u>                                     | <u>415,077</u>                         |

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

By order of the Victorian Commissioner for Corporate Affairs, exemptions 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 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 \$33.763 million, to be paid on 20th February, 1984 and this will be recommended at the annual general meeting. The shares arising from the proposed bonus issue will participate in this final dividend.

Since the end of the previous year a final dividend of 14 cents per share, amounting to \$29.280 million was paid on 27th January, 1983 and an interim dividend of 14 cents per share, amounting to \$29.309 million was paid on 1st July, 1983. The final dividend paid on 27th January, 1983 was detailed in the directors' report dated 29th November, 1982.

Neither the interim dividend paid on 1st July, 1983, 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 and guarantees. 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, 1983 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, except for the subsequent event referred to in note 23 on page 32.

The results of the operations of the Company and its subsidiaries for the year ended 30th September, 1983 were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature, except as may be referred to herein or in the Chairman's Report, the Review of Operations and the accounts.

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 an agreement of the type referred to in Article 79(b) which has been entered into since the end of the previous financial year between the Company and Dame Leonie Kramer, (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 and (iii) benefits that may have arisen as a consequence of the subscription by executive directors for scheme shares under the ANZ Bank Senior Officers' Share Purchase Scheme.

#### 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 thereof.

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 5th day of December, 1983.

 *Chairman*

  
*Managing Director*

# Australia and New Zealand Banking Group Limited and its Subsidiaries

## Profit and loss statement for the year ended 30th September, 1983

| Holding Company |                | Note  | Consolidated   |                |
|-----------------|----------------|---|----------------|----------------|
| 1982<br>\$'000  | 1983<br>\$'000 |   | 1983<br>\$'000 | 1982<br>\$'000 |
| 1,749,837       | 1,889,548      | Gross Income — Discount and interest earned, net exchange, commission and other items   | 2,979,610      | 2,749,058      |
| 1,611,383       | 1,694,832      | Less: Expenses of management and interest paid  | 2,618,280      | 2,427,925      |
| 138,454         | 194,716        | Operating profit before income tax  | 361,330        | 321,133        |
| 36,983          | 54,461         | Less: Income tax expense  | 154,906        | 133,555        |
| 101,471         | 140,255        | Operating profit after tax  | 206,424        | 187,578        |
| —               | —              | Less: Interests of minority shareholders  | 8,524          | 7,106          |
| 101,471         | 140,255        | <b>Operating profit</b> — applicable to shareholders of Australia and New Zealand Banking Group Limited   | 197,900        | 180,472        |
| (24)            | (3,982)        | Extraordinary items   | (73)           | 7,426          |
| —               | —              | Less: Interests of minority shareholders in extraordinary items   | (77)           | (49)           |
| 101,447         | 136,273        | <b>Operating profit and extraordinary items</b> — applicable to shareholders of Australia and New Zealand Banking Group Limited   | 197,750        | 187,849        |
| 63,579          | 66,537         | Retained profits at beginning of year. (after adjustment for exchange rate fluctuations 1983 \$642 (1982 \$730) and prior period adjustment in subsidiary 1983 \$nil (1982 \$336) | 193,559        | 162,626        |
| 165,026         | 202,810        | Total available for appropriation   | 391,309        | 350,475        |
|                 |                | Less: Appropriations:   |                |                |
|                 |                | Transfer to reserves  |                |                |
| 40,000          | 70,000         | — General   | 92,052         | 87,762         |
| (24)            | (3,982)        | — Contingencies   | (3,982)        | (24)           |
| —               | —              | — Capital   | 1,244          | 10,023         |
| 29,233          | 29,309         | Dividends — interim   | 29,309         | 29,233         |
| 29,280          | 33,763         | — proposed final  | 33,763         | 29,280         |
| 66,537          | 73,720         | <b>Retained profits at end of year</b>  | 238,923        | 194,201        |

The notes appearing on pages 22-33 are an integral part of these accounts

# Australia and New Zealand Banking Group Limited and its Subsidiaries

## Balance Sheet as at 30th September, 1983

| Holding Company   |            |   |      | Consolidated |            |
|---|------------|---|------|--------------|------------|
| 1982  | 1983       |   | Note | 1983         | 1982       |
| \$'000  | \$'000     |   |      | \$'000       | \$'000     |
| <b>Authorised capital:</b>  |            |   |      |              |            |
| 350,000   | 350,000    | 350,000,000 ordinary shares of \$1 each                 |      | 350,000      | 350,000    |
| <b>Shareholders' funds</b>  |            |   |      |              |            |
| 209,141   | 209,746    | Issued and paid up capital                              | 4    | 209,746      | 209,141    |
| 387,873   | 451,863    | Reserves  | 5    | 746,207      | 659,480    |
| 66,537  | 73,720     | Retained profits  |      | 238,923      | 194,201    |
| <b>Share capital and reserves applicable to shareholders of Australia and New Zealand Banking Group Limited</b> |            |   |      |              |            |
| 663,551   | 735,329    |   |      | 1,194,876    | 1,062,822  |
| —   | —          | Minority shareholders' interest in subsidiary companies |      | 29,002       | 22,479     |
| <b>Customers' accounts, etc.</b>  |            |   |      |              |            |
| 7,323,068   | 7,498,160  | Deposits  |      | 12,389,263   | 11,514,747 |
| —   | —          | Borrowings by borrowing corporation subsidiaries        |      | 2,464,694    | 2,564,640  |
| 1,638,131   | 2,569,719  | Bank acceptances of customers (see contra)              |      | 2,227,909    | 1,553,133  |
| 2,976,381   | 3,328,728  | Due to other banks                                      |      | 3,458,455    | 3,061,191  |
| 412,378   | 388,958    | Bills payable and other liabilities                     |      | 643,462      | 648,528    |
| 32,550  | 79,023     | Amounts due to subsidiary companies                     |      | —            | —          |
| <b>Provisions</b>   |            |   |      |              |            |
| 29,280  | 33,763     | Proposed final dividend                                 |      | 33,763       | 29,280     |
| 19,187  | 25,833     | Provision for income tax                                |      | 58,202       | 61,070     |
| 155,379   | 150,002    | Other provisions  | 8    | 226,727      | 211,147    |
| 13,249,905  | 14,809,515 |   |      | 22,726,353   | 20,729,037 |

The notes appearing on pages 22-33 are an integral part of these accounts.  
Contingent liabilities are detailed at Note 21.

| <b>Holding Company</b> |                   |   | <b>Consolidated</b> |            |
|------------------------|-------------------|---|---------------------|------------|
| 1982                   | 1983              | Note  | 1983                | 1982       |
| \$'000                 | \$'000            |   | \$'000              | \$'000     |
|                        |                   |   |                     |            |
|                        |                   | <b>Liquid assets</b>  |                     |            |
| 150,366                | <b>101,415</b>    | Coin, notes and cash at bankers                                   | <b>110,751</b>      | 158,759    |
| —                      | —                 | Loans to authorized dealers in Australian short term money market | <b>50,702</b>       | 10,000     |
| 67,187                 | <b>203,274</b>    | Money at short call overseas                                      | <b>219,327</b>      | 80,120     |
| 200,201                | <b>106,401</b>    | Bills receivable and remittances in transit                       | <b>200,899</b>      | 380,023    |
| 1,651,214              | <b>1,985,351</b>  | Cheques in course of collection and balances with other banks     | <b>2,225,339</b>    | 1,754,367  |
| 1,294,635              | <b>1,290,718</b>  | <b>Investments</b>  | <b>3,097,279</b>    | 2,599,139  |
|                        |                   |   |                     |            |
|                        |                   | <b>Regulatory deposits with central and other banks</b>           |                     |            |
| 426,122                | <b>453,422</b>    | Reserve Bank of Australia   | <b>453,422</b>      | 429,112    |
| 10,116                 | <b>3,928</b>      | Overseas  | <b>3,928</b>        | 10,116     |
|                        |                   |   |                     |            |
|                        |                   | <b>Customers' accounts, etc.</b>                                  |                     |            |
| 7,019,539              | <b>7,282,748</b>  | Loans, advances and net receivables                               | <b>13,430,624</b>   | 13,111,209 |
| 1,638,131              | <b>2,569,719</b>  | Customers' liability for acceptances (see contra)                 | <b>2,227,909</b>    | 1,553,133  |
| 276,811                | <b>276,596</b>    | <b>Shares in subsidiary companies</b>                             | —                   | —          |
| 114,145                | <b>136,559</b>    | <b>Amounts due from subsidiary companies</b>                      | —                   | —          |
| 9,150                  | <b>11,069</b>     | <b>Shares in associated and other companies</b>                   | <b>12,940</b>       | 10,888     |
| 93,476                 | <b>117,811</b>    | <b>Premises and equipment</b>                                     | <b>346,882</b>      | 300,192    |
| 298,812                | <b>270,504</b>    | <b>All other assets</b>   | <b>346,351</b>      | 331,979    |
|                        |                   |   |                     |            |
| 13,249,905             | <b>14,809,515</b> |   | <b>22,726,353</b>   | 20,729,037 |

# Notes to the Accounts

## 1 Bases of Accounting

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

### (a) Basis of consolidation

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

### (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" in the balance sheet. Income is taken to account over the period of the lease based 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 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 6.

### (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

The group has a number of pension funds established which provide defined benefits for employees and their dependants on retirement or death. Three funds cover the majority of group employees throughout the world.

The benefits under the funds are provided from contributions by employee members and the group and income from fund assets invested.

The members' contributions are at fixed rates while group contributions are made at levels necessary to ensure that the funds are maintained with sufficient assets to meet their liabilities. The rate of group contributions is determined by actuarial valuations which are carried out at regular intervals not exceeding three years. The assets of the funds 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 is apportioned over the term of the contracts in direct relationship to the amount of the funds invested therein during the relevant accounting periods using the rule of "78" or actuarial method. 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, and 'borrowing corporations' are Esanda Limited, Finance Corporation of Australia Limited, UDC Group Holdings Limited and ANZ Properties (Australia) Limited.

## 2 Extraordinary Items

|  | Consolidated   |                | Holding Company |                |
|--|----------------|----------------|-----------------|----------------|
|  | 1983<br>\$'000 | 1982<br>\$'000 | 1983<br>\$'000  | 1982<br>\$'000 |
| Write-off of goodwill*   | (4,000)        | —              | (4,000)         | —              |
| Surplus on sale of properties  | 3,444          | 7,139          | 18              | —              |
| Surplus on termination of lease  | 200            | —              | —               | —              |
| Surplus (deficiency) on sale of shares in associated and other companies | 283            | 287            | —               | (24)           |
| (No income tax applicable)   | (73)           | 7,426          | (3,982)         | (24)           |

\* Goodwill on acquisition of trust business purchased by holding company, to be managed by ANZ Executors & Trustee Company Limited.



### 3 Operating Profit

|  | Consolidated   |                | Holding Company |                |
|--|----------------|----------------|-----------------|----------------|
|  | 1983<br>\$'000 | 1982<br>\$'000 | 1983<br>\$'000  | 1982<br>\$'000 |

Operating profit before income tax was determined after inclusion of:

#### Income

|   |           |           |           |           |
|---|-----------|-----------|-----------|-----------|
| (a) Interest received or receivable from:               |           |           |           |           |
| (i) Subsidiaries  | —         | —         | 8,071     | 4,176     |
| (ii) Other persons                                      | 2,562,480 | 2,381,469 | 1,358,444 | 1,302,878 |
| (b) Dividends received or receivable from:              |           |           |           |           |
| (i) Subsidiary companies                                |           |           |           |           |
| — Australia and New Zealand Savings Bank Limited        | —         | —         | 30,280    | 9,500     |
| — ANZ Adelaide Group Limited                            | —         | —         | 4,270     | —         |
| — ANZ Finance (Far East) Limited                        | —         | —         | 1,784     | 1,219     |
| — ANZ Banking Group (New Zealand) Limited               | —         | —         | 5,298     | 5,445     |
| — Esanda Limited  | —         | —         | 13,500    | 13,100    |
| — ANZ Investments Limited                               | —         | —         | 600       | 355       |
| — Australia and New Zealand Banking Group (PNG) Limited | —         | —         | 450       | 579       |
| — ANZ Overseas Finance Limited                          | —         | —         | 609       | —         |
| — ES&A Holdings Limited                                 | —         | —         | 116       | 81        |
| (ii) Other companies                                    | 5,059     | 2,677     | 3,261     | 1,928     |

#### Expenses

|  |           |           |         |         |
|--|-----------|-----------|---------|---------|
| (a) Depreciation and amortisation of fixed assets  | 29,881    | 24,169    | 22,277  | 17,104  |
| (b) Auditors' remuneration<br>in respect of auditing of the accounts or group accounts       |           |           |         |         |
| — auditors of holding company  | 651       | 494       | 247     | 234     |
| — other auditors   | 102       | 211       | —       | —       |
| other services   |           |           |         |         |
| — auditors of holding company  | 190       | 93        | 182     | 82      |
| — other auditors   | 3,888     | 2,679     | 3,535   | 2,334   |
| The auditors did not receive any other benefits  |           |           |         |         |
| (c) Directors' emoluments (excluding fixed salaries) received or due<br>and receivable by —  |           |           |         |         |
| directors engaged in full time employment of the holding<br>company and related corporations |           |           |         |         |
| — fees   | —         | —         | —       | —       |
| — other emoluments   | 1,377     | 178       | 688     | 58      |
| other directors  |           |           |         |         |
| — fees   | 239       | 200       | 171     | 132     |
| — other emoluments   | 36        | 77        | 36      | 77      |
| (d) Provision for long service leave   | 8,537     | 10,102    | 7,141   | 8,829   |
| Provisions for doubtful debts (see note 6)   | 75,138    | 63,889    | 47,631  | 48,403  |
| Provision for non lending losses   | 5,429     | 2,628     | 5,387   | 2,496   |
| Provisions — other   | 85        | 251       | (58)    | 251     |
| (e) Interest paid or payable to:   |           |           |         |         |
| (i) Subsidiaries   | —         | —         | 3,258   | 505     |
| (ii) Other persons   | 1,747,805 | 1,670,307 | 958,890 | 963,864 |

### 4 Share Capital

Issued Capital:

|   |                |                |
|---|----------------|----------------|
| 209,565,046 (1982 209,141,096) ordinary shares of \$1 each fully paid       | 209,565        | 209,141        |
| 1,805,000 (1982 nil) ordinary shares of \$1 each paid to 10 cents per share | 181            | —              |
|   | <b>209,746</b> | <b>209,141</b> |

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

|   | Share<br>Premium<br>Reserve | Asset<br>Revaluation<br>Reserve | Contingencies<br>Reserve | General<br>Reserve | Capital<br>Reserves | Total<br>Reserves |
|---|-----------------------------|---------------------------------|--------------------------|--------------------|---------------------|-------------------|
| <b>Balance at 30th September, 1981</b>          | 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)             |
| <b>Balance at 30th September, 1982</b>          | 15,485                      | 34,913                          | 137,184                  | 449,285            | 22,613              | 659,480           |
| Adjustment for exchange rate fluctuations       | —                           | 117                             | —                        | (742)              | 13                  | (612)             |
| Transfers (to) from profit and loss account     | —                           | —                               | (3,982)                  | 92,052             | 1,244               | 89,314            |
| Premium on issue of shares to staff             | 976                         | —                               | —                        | —                  | 26                  | 1,002             |
| Revaluation of properties by subsidiary company | —                           | 1,277                           | —                        | —                  | —                   | 1,277             |
| Currency translation adjustments                | —                           | —                               | (3,022)                  | (29)               | (1,306)             | (4,357)           |
| Other   | —                           | —                               | —                        | —                  | 103                 | 103               |
| <b>Balance at 30th September, 1983</b>          | 16,461                      | 36,307                          | 130,180                  | 540,566            | 22,693              | 746,207           |

**Holding Company**  
\$'000

|  | Share<br>Premium<br>Reserve | Asset<br>Revaluation<br>Reserve | Contingencies<br>Reserve | General<br>Reserve | Total<br>Reserves |
|--|-----------------------------|---------------------------------|--------------------------|--------------------|-------------------|
| <b>Balance at 30th September, 1981</b>     | 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             |
| <b>Balance at 30th September, 1982</b>     | 15,485                      | 58,861                          | 104,377                  | 209,150            | 387,873           |
| Transfer (to) from profit and loss account | —                           | —                               | (3,982)                  | 70,000             | 66,018            |
| Premium on issue of shares to staff        | 976                         | —                               | —                        | —                  | 976               |
| Currency translation adjustments           | —                           | —                               | (3,004)                  | —                  | (3,004)           |
| <b>Balance at 30th September, 1983</b>     | 16,461                      | 58,861                          | 97,391                   | 279,150            | 451,863           |

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

|   | Specific Provision |          | General Provision |        | Specific Provision |         | General Provision |        |
|---|--------------------|----------|-------------------|--------|--------------------|---------|-------------------|--------|
|   | 1983               | 1982     | 1983              | 1982   | 1983               | 1982    | 1983              | 1982   |
| <b>Balance at 30th September, 1982</b>    | 96,399             | 48,216   | 81,710            | 74,613 | 90,478             | 45,834  | 55,947            | 54,778 |
| Adjustment for exchange rate fluctuations | (307)              | 4,063    | (304)             | 1,345  | (198)              | 2,432   | 203               | 742    |
| Bad debts written off                     | (48,549)           | (18,925) | —                 | —      | (25,806)           | (6,608) | —                 | —      |
| Recoveries                                | 3,500              | 4,908    | —                 | —      | 1,066              | 844     | —                 | —      |
| Charge to profit and loss account         | 65,838             | 58,137   | 9,300             | 5,752  | 40,191             | 47,976  | 7,440             | 427    |
| <b>Balance at 30th September, 1983</b>    | 116,881            | 96,399   | 90,706            | 81,710 | 105,731            | 90,478  | 63,590            | 55,947 |

**7 Non-Accrual Loans of Non-banking Companies**

Amounts of debts of non-banking companies on which interest or credit charges have not been brought to account in 1983 totalled \$14.054 million.

Amount of interest due to non-banking companies from other persons, in respect of the above debts, that has not been brought to account in 1983 totalled \$3.308 million.

This information is included in the notes for the first time in accordance with Schedule 7 of the Companies (Victoria) Regulations. Comparative figures for 1982 are not available.

|                                   | Consolidated |         | Holding Company |         |
|-----------------------------------|--------------|---------|-----------------|---------|
|                                   | 1983         | 1982    | 1983            | 1982    |
|                                   | \$'000       | \$'000  | \$'000          | \$'000  |
| <b>8 Other Provisions</b>         |              |         |                 |         |
| Provision for long service leave  | 85,037       | 76,539  | 76,469          | 69,158  |
| Provision for deferred income tax | 128,360      | 126,608 | 60,880          | 78,725  |
| Provision for non-lending losses  | 11,453       | 6,046   | 10,927          | 5,542   |
| Provisions — other                | 1,877        | 1,954   | 1,726           | 1,954   |
|                                   | 226,727      | 211,147 | 150,002         | 155,379 |

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

|   |            |            |           |           |
|---|------------|------------|-----------|-----------|
| Gross loans, advances, bills discounted and outstandings under hire purchase and other agreements | 14,739,829 | 14,380,098 | 7,738,027 | 7,414,860 |
| Less: Provisions for doubtful debts   | 207,587    | 178,109    | 169,321   | 146,425   |
| Provision for contingencies   | 5,180      | 5,180      | —         | —         |
| Income yet to mature  | 1,096,438  | 1,085,600  | 285,958   | 248,896   |
| Net loans, advances, bills discounted and outstandings under hire purchase and other agreements   | 13,430,624 | 13,111,209 | 7,282,748 | 7,019,539 |

## 10 Development Ventures (included in all other assets)

Development ventures comprise:

|  |        |        |
|--|--------|--------|
| (i) Land held for development at cost:                       |        |        |
| acquisition  | 13,938 | 13,629 |
| development expenses capitalised                             | 2,791  | 2,264  |
| other amounts capitalised                                    | 3,780  | 3,806  |
|  | 20,509 | 19,699 |
| <i>less: liabilities</i>                                     |        |        |
| mortgages:   |        |        |
| unsecured (including provision for expenditure on sold land) |        |        |
| payable within 12 months                                     | 1,524  | 152    |
|  | 18,985 | 19,547 |
| <i>add: debtors</i>  | 561    | 1,457  |
|  | 19,546 | 21,004 |
| <i>less: provision for diminution in value of ventures</i>   | 14,058 | 15,915 |
|  | 5,488  | 5,089  |
| (ii) Loans to real estate projects, secured on real estate   |        |        |
| — loans to associated development companies                  | 4,875  | 4,688  |
| — loans to others  | 230    | 764    |
|  | 5,105  | 5,452  |
| <i>less: creditors</i>                                       |        |        |
| payable within 12 months                                     | —      | 23     |
|  | 5,105  | 5,429  |
| <i>less: provision for diminution in value</i>               | 1,061  | 1,644  |
|  | 4,044  | 3,785  |
|  | 9,532  | 8,874  |

|  | Consolidated   |                | Holding Company |                |
|--|----------------|----------------|-----------------|----------------|
|  | 1983<br>\$'000 | 1982<br>\$'000 | 1983<br>\$'000  | 1982<br>\$'000 |
| <b>11 Premises and Equipment</b>   |                |                |                 |                |
| (a) Freehold and leasehold land and buildings                                    |                |                |                 |                |
| — at directors' valuation 1974   | 4,290          | 4,290          | —               | —              |
| — by independent valuation 1976  | 518            | 1,171          | —               | —              |
| — at directors' valuation 1978   | 307            | 307            | —               | —              |
| — at directors' valuation 1981   | 10,086         | 17,001         | —               | —              |
| — at directors' valuation 1983   | 7,384          | —              | —               | —              |
| — at cost  | 222,424        | 193,346        | 22,033          | 16,243         |
|  | 245,009        | 216,115        | 22,033          | 16,243         |
| Deduct: Provision for depreciation   | 19,737         | 17,115         | 364             | 228            |
|  | 225,272        | 199,000        | 21,669          | 16,015         |
| (b) Plant, fixtures and fittings, office machines<br>and other equipment at cost | 217,142        | 185,406        | 166,179         | 138,734        |
| Deduct: Provision for depreciation   | 105,642        | 93,838         | 78,821          | 69,556         |
|  | 111,500        | 91,568         | 87,358          | 69,178         |
| (c) Leasehold improvements at cost   | 13,927         | 11,938         | 11,794          | 10,236         |
| Deduct: Provision for amortisation   | 3,817          | 2,314          | 3,010           | 1,953          |
|  | 10,110         | 9,624          | 8,784           | 8,283          |
| Total premises and equipment   | 346,882        | 300,192        | 117,811         | 93,476         |

Officers' valuations carried out in the current year indicate that the market value of the investment in premises of the company and its subsidiaries is not less than \$185 million in excess of the value shown in the balance sheet on an existing use basis.

## 12 Capital Expenditure Commitments

Contracts for outstanding capital expenditure not provided for in these accounts

|        |        |       |       |
|--------|--------|-------|-------|
| 14,829 | 12,955 | 4,883 | 2,564 |
|--------|--------|-------|-------|

## 13 Lease Rental Commitments

Future lease rentals not provided for comprise:

Land and buildings

due within one year

|        |        |
|--------|--------|
| 29,580 | 25,237 |
|--------|--------|

due after one year

|         |         |
|---------|---------|
| 171,587 | 112,134 |
|---------|---------|

|         |         |
|---------|---------|
| 201,167 | 137,371 |
|---------|---------|

Furniture, office machines and other equipment

due within one year

|       |       |
|-------|-------|
| 1,603 | 1,469 |
|-------|-------|

due after one year

|       |       |
|-------|-------|
| 1,485 | 1,433 |
|-------|-------|

|       |       |
|-------|-------|
| 3,088 | 2,902 |
|-------|-------|

|         |         |
|---------|---------|
| 204,255 | 140,273 |
|---------|---------|

This information is included in the notes for the first time in accordance with Schedule 7 of the Companies (Victoria) Regulations. Comparative figures for 1982 are not available.

## 14 Liabilities Payable by Borrowing Corporation Subsidiaries

Within one year

|           |           |
|-----------|-----------|
| 1,586,189 | 1,565,181 |
|-----------|-----------|

Between one and two years

|         |         |
|---------|---------|
| 557,032 | 634,036 |
|---------|---------|

Between two and five years

|         |         |
|---------|---------|
| 435,558 | 466,962 |
|---------|---------|

After five years

|       |        |
|-------|--------|
| 8,873 | 12,078 |
|-------|--------|

|           |           |
|-----------|-----------|
| 2,587,652 | 2,678,257 |
|-----------|-----------|

|  | Consolidated     |                  | Holding Company |                |
|--|------------------|------------------|-----------------|----------------|
|  | 1983<br>\$'000   | 1982<br>\$'000   | 1983<br>\$'000  | 1982<br>\$'000 |
| <b>15 Debts Receivable by Borrowing Corporation Subsidiaries<br/>Net of Income Yet to Mature</b> |                  |                  |                 |                |
| Within one year  | 1,202,827        | 1,319,676        |                 |                |
| Between one and two years  | 677,923          | 683,189          |                 |                |
| Between two and five years   | 802,646          | 838,083          |                 |                |
| After five years   | 76,966           | 88,998           |                 |                |
|  | <u>2,760,362</u> | <u>2,929,946</u> |                 |                |
| Less: General provision for doubtful debts and<br>provision for contingencies                    | 14,758           | 15,742           |                 |                |
|  | <u>2,745,604</u> | <u>2,914,204</u> |                 |                |

## 16 Investments

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

### Book value

Quoted in Australia:

|  |           |           |           |         |
|--|-----------|-----------|-----------|---------|
| Australian Government securities                 | 1,500,602 | 1,137,291 | 1,067,308 | 974,647 |
| Australian Local and Semi Government authorities | 78,687    | 80,319    | —         | —       |
| Other securities                                 | 1,739     | 2,162     | 1,608     | 1,582   |

Quoted in other countries:

|   |         |         |   |       |
|---|---------|---------|---|-------|
| Government and Local Authority securities | 303,633 | 202,825 | — | 2,569 |
| Other securities                          | 6,367   | 3,360   | — | —     |

**Total book value of quoted investments**

|           |           |           |         |
|-----------|-----------|-----------|---------|
| 1,891,028 | 1,425,957 | 1,068,916 | 978,798 |
|-----------|-----------|-----------|---------|

Unquoted investments:

|   |         |         |         |         |
|---|---------|---------|---------|---------|
| Australian Government and Local and Semi Government authorities | 520,986 | 551,595 | —       | —       |
| Australian Treasury notes                                       | 248,400 | 290,340 | —       | 107,605 |
| Treasury bills  | 101,150 | 70,561  | 13,059  | 38,371  |
| Other securities including equity in leveraged leasing          | 335,715 | 260,686 | 208,743 | 169,861 |

**Total book value**

|           |           |           |           |
|-----------|-----------|-----------|-----------|
| 3,097,279 | 2,599,139 | 1,290,718 | 1,294,635 |
|-----------|-----------|-----------|-----------|

### Market value

Quoted in Australia:

|  |           |           |           |         |
|--|-----------|-----------|-----------|---------|
| Australian Government securities                 | 1,484,022 | 1,077,891 | 1,056,279 | 929,763 |
| Australian Local and Semi Government authorities | 75,462    | 73,890    | —         | —       |
| Other securities                                 | 1,717     | 2,201     | 1,608     | 1,582   |

Quoted in other countries:

|   |         |         |   |       |
|---|---------|---------|---|-------|
| Government and Local Authority securities | 307,185 | 199,329 | — | 2,582 |
| Other securities                          | 6,731   | 3,385   | — | —     |

**Total market value of quoted investments**

|           |           |           |         |
|-----------|-----------|-----------|---------|
| 1,875,117 | 1,356,696 | 1,057,887 | 933,927 |
|-----------|-----------|-----------|---------|

## 17 Shares in Subsidiary Companies

|  |  |  |                |                |
|--|--|--|----------------|----------------|
| Quoted — at directors' valuation 1979<br>(Market value 1983 \$178,954 — 1982 \$90,747) |  |  | 42,783         | 44,113         |
| Unquoted — at cost   |  |  | 90,728         | 89,613         |
| — at directors' valuation 1981   |  |  | 143,085        | 143,085        |
|  |  |  | <u>276,596</u> | <u>276,811</u> |

## 18 Shares in Associated and Other Companies

|   |               |               |               |              |
|---|---------------|---------------|---------------|--------------|
| Quoted — at cost (Market value \$23 — 1982 \$Nil) | 22            | 14            | —             | —            |
| Unquoted — at cost less amounts written off       | 12,918        | 10,874        | 11,069        | 9,150        |
|   | <u>12,940</u> | <u>10,888</u> | <u>11,069</u> | <u>9,150</u> |

| 19 Subsidiary Companies and Group Interests                         | Incorporated in  | Principal areas of operations | Issued capital  | Contribution to group result \$'000 |        |
|---|------------------|-------------------------------|---|-------------------------------------|--------|
|   |                  |                               |   | 1983                                | 1982   |
| Australia and New Zealand Banking Group Limited                     | Australia        | International                 |   | 83,348                              | 71,455 |
| <b>Subsidiaries</b>   |                  |                               |   |                                     |        |
| Adelaide Group Data Pty. Limited                                    | Australia        | Australia                     | 100,000 shares of \$1   | 10                                  | 43     |
| § 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                                  | 10     |
| ANZ Adelaide Property Limited                                       | Australia        | Australia                     | 750,000 shares of \$2   | 8                                   | 12     |
| § ANZ Banking Group (New Zealand) Limited                           | New Zealand      | New Zealand                   | 53,122,660 shares of NZ\$1 fully paid<br>255,000 shares of NZ\$1 paid to 10 cents<br>198,140 shares of NZ\$1 uncalled | 19,063                              | 15,272 |
| ANZ Custodians Limited  | Australia        | Australia                     | 7 shares of \$1   | —                                   | —      |
| ANZ Discounts Limited   | Australia        | Australia                     | 5 shares of \$2   | —                                   | —      |
| ANZ Executors & Trustee Company Limited                             | Australia        | Australia                     | 2 shares of \$1 fully paid<br>2,499,998 shares of \$1 paid to 40 cents  | 47                                  | —      |
| * T.E.A. Nominees Limited   | Australia        | Australia                     | 5,000 shares of \$2   | —                                   | —      |
| * The Trustees Executors & Agency Company (Canberra) Limited        | Australia        | Australia                     | 20,000 shares of \$2  | (10)                                | —      |
| * ANZ Executors Nominees (NSW) Limited                              | Australia        | Australia                     | 5,000 shares of \$2   | —                                   | —      |
| ANZ Finance (Far East) Limited                                      | Australia        | Hong Kong/Aust.               | 17,000,000 shares of \$1 fully paid<br>3,000,000 shares of \$1 paid to 10 cents<br>10 shares of £1                    | 4,211                               | 4,671  |
| § ANZ Finance (Jersey) Limited                                      | Jersey           |                               |   | —                                   | —      |
| ANZ Funds Pty. Limited  | Australia        | Australia                     | 100 shares of \$2   | 3                                   | 1,034  |
| ANZ Holdings Limited  | Australia        | Australia/N.Z.                | 23,100,000 shares of \$1  | 17                                  | 37     |
| ANZ Investments Limited   | Australia        | International                 | 150 shares of \$1   | 602                                 | 308    |
| ANZ Managed Investments Limited                                     | Australia        | Australia                     | 209,010 shares of \$1   | 52                                  | 37     |
| ANZ Managed Investments (N.S.W.) Limited                            | Australia        | Australia                     | 10,000 shares of \$1  | 1                                   | 3      |
| ANZ Managed Investments (Qld.) Limited                              | Australia        | Australia                     | 16 shares of \$1  | 1                                   | 4      |
| ANZ Managed Investments (S.A.) Limited                              | Australia        | Australia                     | 12 shares of \$1  | 1                                   | 3      |
| ANZ Managed Investments (W.A.) Limited                              | Australia        | Australia                     | 12 shares of \$1  | —                                   | 1      |
| ANZ Managed Investments (Tas.) Limited                              | Australia        | Australia                     | 16 shares of \$1  | 1                                   | 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  | 605                                 | —      |
| 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   | 565                                 | 550    |
| § ANZ Properties (New Zealand) Limited                              | New Zealand      | New Zealand                   | 10,000 shares of NZ\$1  | 202                                 | 19     |
| § ANZ Savings Bank (New Zealand) Limited                            | New Zealand      | New Zealand                   | 250,000 shares of NZ\$2   | 1,454                               | 2,020  |
| § 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  | 615                                 | 699    |
| Australia and New Zealand Banking Group (PNG) Limited               | Papua New Guinea | Papua New Guinea              | 2,000,000 shares of K1  | 753                                 | 1,394  |
| Australia and New Zealand Savings Bank Limited                      | Australia        | Australia                     | 7,500,000 shares of \$1   | 29,145                              | 28,462 |
| 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                     | 115,000,000 shares of \$1   | 38,954                              | 37,900 |
| * Esanda (Wholesale) Pty. Limited                                   | Australia        | Australia                     | 50 shares of \$2  | —                                   | 5      |
| § Esanda Nominees Limited   | England          | England                       | 100 shares of £1  | —                                   | —      |
| ES&A Holdings Limited   | Australia        | Australia                     | 12,600,000 shares of \$1  | 10                                  | 5      |
| 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   | 10                                  | 9      |
| § 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<br>55,000,000 non-cumulative<br>redeemable preference shares of \$1                          | 9,219                               | 7,261  |
| F.C.A. Leasing Pty. Limited   | Australia        | Australia                     | 250,000 shares of \$2   | 258                                 | 18     |
| F.C.A. Finance Pty. Limited   | Australia        | Australia                     | 260,000 shares of \$2   | 4,263                               | 5,069  |
| 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  |
| Ironbark Developments Pty. Limited                                  | Australia        | Australia                     | 90 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      |
| Monge Pty Limited   | Australia        | Australia                     | 2 shares of \$1   | —                                   | —      |
| Yarraga Pty Ltd   | Australia        | Australia                     | 2 shares of \$1   | —                                   | —      |

§ Audited by overseas Peat, Marwick, Mitchell & Co. firms \* Not audited by Peat, Marwick, Mitchell & Co.

| Holding company's beneficial interest and investment |        |      |        | Held by                       | Nature of business  |
|--|--------|------|--------|-------------------------------|---|
| %  | \$'000 | %    | \$'000 |                               |   |
| 1983   |        | 1982 |        |                               |   |
| 100  | —      | 100  | —      | FCA and ANZ Adelaide Property | Investment company  |
| 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   | 42,784 | 75   | 44,113 | 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  | 1,000  | —    | —      | ANZ Banking Group             | Executor and trustee services                                   |
| 100  | —      | —    | —      | ANZ Executors & Trustee       | Trustee, nominee and agency business                            |
| 100  | —      | —    | —      | ANZ Executors & Trustee       | Trustee, nominee and agency business                            |
| 100  | —      | —    | —      | ANZ Executors & Trustee       | Trustee, nominee and agency business                            |
| 100  | 16,239 | 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 | ANZ Banking Group             | Property owning company   |
| 100  | †      | 100  | †      | ANZ Banking Group             | Holder 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  | —      | 100  | —      | ANZ Managed Investments       | Unit trust managers   |
| 100  | 2      | 100  | 2      | ANZ Banking Group             | Nominee services  |
| 100  | 2      | 100  | 2      | ANZ Banking Group             | Nominee services  |
| 100  | †      | 100  | †      | ANZ Banking Group             | Provision of foreign currency loans                             |
| 100  | 10     | 100  | 10     | ANZ Banking Group             | Trustee of staff pension funds                                  |
| 100  | 417    | 100  | 447    | ANZ Banking Group             | Trustee of staff pension funds                                  |
| 100  | †      | 100  | †      | ANZ Banking Group             | Trustee of staff pension funds                                  |
| 100  | —      | 100  | —      | ANZ Banking Group (NZ)        | Trustee 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  | 417    | 100  | 447    | ANZ Banking Group             | Full range of banking services                                  |
| 85   | 2,207  | 85   | 2,317  | 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  | 208    | 100  | 224    | 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                   | Non-operative   |
| 100  | —      | 100  | —      | FCA Finance                   | Beneficiary of land development partnership                     |
| 100  | †      | 100  | †      | ANZ Banking Group             | Nominee/agent in connection with packaging leveraged leases     |
| 100  | 29     | 100  | 29     | ANZ Banking Group             | Holding company for subsidiary company shares                   |
| 100  | †      | —    | —      | ANZ Banking Group             | Nominee/agent in connection with packaging leveraged leases     |
| 100  | †      | —    | —      | ANZ Banking Group             | Trustee of staff pension fund                                   |

† Amounts under \$500.

| Subsidiary Companies and Group Interests continued | Incorporated in          | Principal areas of operations | Issued capital   | Contribution to group result \$'000 |         |
|--|--------------------------|-------------------------------|--|-------------------------------------|---------|
|  |                          |                               |  | 1983                                | 1982    |
| §UDC Group Holdings Limited                        | New Zealand              | New Zealand                   | 18,360,000 shares of NZ\$1 fully paid<br>21,640,000 shares of NZ\$1 uncalled | 16                                  | 12      |
| §UDC Finance Limited                               | New Zealand              | New Zealand                   | 3,000,000 shares of NZ\$1  | 2,656                               | 2,358   |
| §UDC Mercantile Securities Limited                 | New Zealand              | New Zealand                   | 2,500,000 shares of NZ\$2  | 1,479                               | 741     |
| §UDC Properties Limited                            | New Zealand              | New Zealand                   | 65,000 shares of NZ\$2   | 11                                  | 6       |
| §UDC Developments Limited                          | New Zealand              | New Zealand                   | 20,000 shares of NZ\$1   | 16                                  | (9)     |
| §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  | 2                                   | 21      |
| §Mercantile Discounts Limited                      | New Zealand              | New Zealand                   | 34,500 shares of NZ\$2   | —                                   | —       |
| §Credit for Industry (NZ) Limited                  | New Zealand              |                               | 10,000 shares of NZ\$2<br>240,000 shares of NZ\$2 paid to NZ\$1              | —                                   | —       |
| §Financial Services Limited                        | New Zealand              |                               | 10,000 shares of NZ\$2   | —                                   | —       |
| §Lambton Investment Company Limited                | New Zealand              | New Zealand                   | 204,292 shares of NZ\$1  | 34                                  | 25      |
| §Commercial Developments Limited                   | New Zealand              | New Zealand                   | 2,000 shares of NZ\$1  | 6                                   | 7       |
| §The Traders' Finance Corporation Limited          | New Zealand              |                               | 150,000 shares of NZ\$2  | —                                   | —       |
| §United Finance Corporation Limited                | New Zealand              |                               | 48,850 shares of NZ\$2   | —                                   | —       |
| §Mercantile Securities (Hong Kong) Limited         | Hong Kong                | Hong Kong                     | 5,000 shares of HK\$2  | 234                                 | 108     |
| §Quebracho Investments N.V.                        | The Netherlands Antilles | Curacao                       | 6,000 shares of US\$1  | —                                   | —       |
| §Leveraged Lease Nominees Limited                  | New Zealand              | New Zealand                   | 1,000 shares of NZ\$1  | —                                   | —       |
| Adjustment on Consolidation                        |                          |                               |  | 26                                  | (263)   |
|  |                          |                               |  | 197,900                             | 180,472 |

§ Audited by overseas Peat, Marwick, Mitchell &amp; Co. firms

|   | Incorporated in  | Principal areas of operations | Issued capital  | Group interest |
|---|------------------|-------------------------------|---|----------------|
| <b>Associated Companies</b>                                 |                  |                               |   |                |
| Allied Mortgage Guarantee Co. Limited                       | New Zealand      | New Zealand                   | 2,000,000 share of NZ\$1 each                                 | 25.0%          |
| Australian International Finance Corporation Limited        | Australia        | Pacific Area                  | 7,812,500 shares of \$1                                       | 40.0%          |
| Charge Card Services Limited                                | Australia        | Australia                     | 80,010 shares of \$1  | 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                                     | 11.49%         |
| 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                                      | 45.0%          |
| New Zealand Bankcard Associates Limited                     | New Zealand      | New Zealand                   | 30,000 shares of NZ\$1  | 25.0%          |
| Amalgamated Finance Limited                                 | New Zealand      | New Zealand                   | 10,000 shares of NZ\$2  | 37.5%          |
| Australian Resources Development Bank Limited               | Australia        | Australia                     | 11,088 shares of \$1,000                                      | 25.0%          |
| <b>Interests under 20%</b>                                  |                  |                               |   |                |
| Asfinc Singapore Limited                                    | Singapore        | South East Asia               | 20,000,000 shares of S\$1                                     | 1.25%          |
| Austmark International Pty. Ltd.                            | Australia        | Australia                     | 58,244,714 shares of \$1                                      | .008%          |
| Austraclear Limited   | Australia        | Australia                     | 1,893,005 shares of \$1                                       | 7.26%          |
| Databank Systems Limited                                    | New Zealand      | New Zealand                   | 200,000 shares of NZ\$1                                       | 15.0%          |
| Executor Trustee & Agency Company of S.A. Limited           | Australia        | Australia                     | 400,000 shares of \$2<br>paid to 50¢<br>400,000 shares of 50¢ | 13.75%         |
| Export Credit Insurance Corporation of Singapore Limited    | Singapore        | Singapore                     | 127,590,000 shares of S\$1                                    | 0.20%          |
| Monidata Pty. Limited                                       | Papua New Guinea | Papua New Guinea              | 100,000 shares of K1  | 17.0%          |
| Primary Industry Bank of Australia Limited                  | Australia        | Australia                     | 5,625,000 shares of \$1                                       | 17.5%          |
| Private Investment Co. for Asia S.A.                        | Panama           | Asia                          | 24,000 shares of US\$5,000                                    | 0.37%          |
| Society for Worldwide Interbank Financial Telecommunication | Belgium          | International                 | 25,450 shares of B.F.5000                                     | 0.24%          |
| 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%          |



| Holding company's beneficial interest and investment |         |             |             | Held by                           | Nature of business                             |
|--|---------|-------------|-------------|-----------------------------------|--|
| %  | \$'000  | %           | \$'000      |                                   |  |
|  |         | <b>1983</b> | <b>1982</b> |                                   |  |
| 75   | —       | 75          | —           | Endeavour Investments (NZ)        | Holders of subsidiary and other company shares |
| 75   | —       | 75          | —           | ANZ Banking Group (NZ)            | General finance facilities                     |
| 75   | —       | 75          | —           | UDC Group Holdings                | 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               | Investment 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                             |
| 75   | —       | 75          | —           | UDC Finance                       | Nominee Services                               |
|  | 276,596 |             | 276,811     |                                   |  |

#### 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                          | Service company for administration and provision of bank charge cards  |
| FCA Finance                                | Property developer   |
| FCA Finance                                | Trustee  |
| ANZ Banking Group (NZ)                     | Property owning company  |
| FCA Finance                                | Beneficiary of trust   |
| FCA Finance                                | Beneficiary of trust   |
| FCA Finance                                | Trustee  |
| ANZ Investments                            | Trustee, corporate and financial services  |
| ANZ Banking Group (NZ)                     | Service company for administration of charge card services.  |
| UDC Group Holdings                         | Dealer Financing   |
| ANZ Banking Group                          | Financing development of Australia's natural resources   |
| ANZ Banking Group                          | Holds 20% equity in Asean Finance Corporation which was formed to promote industrialisation and economic development within Asean member countries |
| FCA  | Property developer   |
| ANZ Banking Group                          | Provision of central register and safekeeping facility for money market instruments  |
| ANZ Banking Group (NZ)                     | Nationwide computer network jointly owned by the trading banks   |
| ANZ Executors & Trustee Company            | Trustee  |
| ANZ Banking Group                          | Provision of guarantees for export credits   |
| ANZ Banking Group (PNG)                    | Computer network jointly owned by Papua New Guinea banks   |
| ANZ Banking Group                          | Finance long-term loans to primary producers   |
| ANZ Banking Group                          | Capital investments in developing countries of Asia  |
| ANZ Banking Group & ANZ Banking Group (NZ) | Management of International Inter-bank Telecommunications system   |
| ANZ Investments                            | Investments and banking facilities in South East Asia  |
| FCA  | Property developer   |

|  | Consolidated |        | Holding Company |        |
|--|--------------|--------|-----------------|--------|
|  | 1983         | 1982   | 1983            | 1982   |
|  | \$'000       | \$'000 | \$'000          | \$'000 |

## 20 Future Income Tax Benefits

|                              |         |        |        |        |
|------------------------------|---------|--------|--------|--------|
| Included in all other assets | 105,685 | 98,815 | 94,579 | 90,476 |
|------------------------------|---------|--------|--------|--------|

Possible future income tax benefits relating to the Finance Corporation of Australia Limited group arising from provision for doubtful debts, and provision for diminution in value of development ventures, and ANZ Executors & Trustee Company Limited group in respect of tax losses existing at 30th September, 1983, are not recognised in the accounts. These possible benefits, which could amount to \$7,444 (1982 — \$8,305), will only be obtained if:

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

## 21 Contingent Liabilities

|  |                  |                  |                  |                  |
|--|------------------|------------------|------------------|------------------|
| Commercial bills endorsed                                | 57,384           | 54,951           | 20,260           | 41,870           |
| Liabilities under letters of credit                      | 476,064          | 327,925          | 438,068          | 293,656          |
| Guarantees entered into in the normal course of business | 506,586          | 446,308          | 436,645          | 409,219          |
| Other  | 547,638          | 513,249          | 526,013          | 493,066          |
|  | <b>1,587,672</b> | <b>1,342,433</b> | <b>1,420,986</b> | <b>1,237,811</b> |

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.

## 22 Forward Exchange Contracts

There are forward exchange contracts for foreign currencies issued on behalf of and with indemnity from customers. It is not envisaged that any irrecoverable liability will arise from these transactions.

|  |            |            |            |            |
|--|------------|------------|------------|------------|
|  | 16,698,117 | 16,704,736 | 16,127,864 | 14,642,420 |
|--|------------|------------|------------|------------|

## 23 Subsequent Event

On 3rd October, 1983 an offer was made to the shareholders of Development Finance Corporation Limited of \$11.00 cash or two \$1 fully-paid ordinary shares of Australia and New Zealand Banking Group Limited for each Development Finance Corporation Limited \$1 fully-paid ordinary share. At 5th December, 1983 the offer has been accepted by 96 per cent of the shareholders of Development Finance Corporation Limited and Australia and New Zealand Banking Group is to issue 8,830,266 \$1 ordinary fully-paid shares and pay \$39.6 million cash for the Development Finance Corporation Limited shares.

The remaining four per cent of shares in Development Finance Corporation Limited will be compulsorily acquired in accordance with the provisions of Section 42 of the Companies (Acquisition of Shares) NSW Code and those shareholders will have the option of accepting cash or shares in the Bank.

## 24 Comparative Figures for 1982

Where necessary these figures have been adjusted to conform with changes in presentation made in 1983.

# Australia and New Zealand Banking Group Limited and its Subsidiaries

## Consolidated Statement of Source and Application of Funds

for the year ended 30th September, 1983

| <b>Source of Funds</b>   | <b>1983</b>      | <b>1982</b>      |
|--|------------------|------------------|
|  | <b>\$'000</b>    | <b>\$'000</b>    |
| Operating profit before tax, including minority interests                                    | 361,330          | 321,133          |
| <b>Add/(Deduct):</b> Extraordinary items, including minority interests                       | (73)             | 7,426            |
| <b>Add:</b> Depreciation and other items not involving the outlay of funds in current period | 43,932           | 34,643           |
| Funds derived from operations  | 405,189          | 363,202          |
| New share issues including premium on issue  | 1,607            | 2,161            |
| Increases in:  |                  |                  |
| Deposits and borrowings by subsidiaries  | 774,570          | 1,963,560        |
| Bills payable and all other liabilities  | 299,584          | 1,499,679        |
| Regulatory deposits with central and other banks   | —                | 53,127           |
|  | <u>1,480,950</u> | <u>3,881,729</u> |

## Application of Funds

|  |                  |                  |
|--|------------------|------------------|
| Payment of dividends                             | 58,589           | 58,413           |
| Payment of tax                                   | 80,772           | 85,271           |
| Increases in:                                    |                  |                  |
| Premises, equipment and other fixed assets (net) | 77,329           | 73,949           |
| Liquid assets                                    | 423,749          | 596,699          |
| Investments                                      | 498,140          | 303,432          |
| Regulatory deposits with central and other banks | 18,122           | —                |
| Loans, advances and net receivables              | 319,415          | 2,681,270        |
| All other assets                                 | 4,834            | 82,695           |
|  | <u>1,480,950</u> | <u>3,881,729</u> |

## Directors' Statement

### 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, 1983;
- (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, 1983; 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, 1983; and
  - (b) the state of affairs of the Company and its subsidiaries for the year ended 30th September, 1983
- so far as they concern members of the Company.

Dated at Melbourne this 5th day of December, 1983.

Signed in accordance with a resolution of the directors.

**W. J. Vines** Director

**J. D. Milne** Director

## Auditors' Report

### 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 34, 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, 1983 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 to be kept by the Company and by those subsidiaries of which we are the auditors have been properly kept in accordance with the provisions of that Code and, in the case of those subsidiaries incorporated in other States or Territories of the Commonwealth and of which we are the auditors, 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 19 on pages 28 to 31 and we have examined their accounts and the auditors' reports thereon.

We are satisfied that the accounts of the subsidiaries that have been consolidated with 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  
5th December, 1983.

# Australia and New Zealand Savings Bank Limited

Summary of the Audited Accounts\* as at 30th September, 1983

## Balance Sheet as at 30th September, 1983

|   | 1983      | 1982      |   | 1983      | 1982      |
|---|-----------|-----------|---|-----------|-----------|
| Shareholders' funds   | \$'000    | \$'000    | Assets  | \$'000    | \$'000    |
| Authorised capital:<br>14,000,000 ordinary shares of<br>\$1 each        | 14,000    | 14,000    | Cash  | 239       | 10        |
| Issued capital:<br>7,500,000 ordinary shares of<br>\$1 each, fully paid | 7,500     | 7,500     | Deposits with Reserve Bank  | —         | 2,990     |
| Reserves  | 117,989   | 120,007   | Deposits with Australia<br>and New Zealand Banking<br>Group Limited         | —         | 2,521     |
| Retained profits  | 13,667    | 12,802    | Loans to authorised dealers<br>in the Australian short<br>term money market | 44,030    | —         |
|   | 139,156   | 140,309   | Australian public securities  |           |           |
| <b>Liabilities</b>  |           |           | (a) Commonwealth of Australia   |           |           |
| Deposits  | 3,305,098 | 2,474,690 | — Treasury notes  | 248,400   | 182,735   |
| Provision for income tax  | 10,248    | 13,993    | — other   | 433,274   | 162,644   |
| Bills payable and other liabilities                                     | 121,279   | 102,425   | (b) Local & Semi Government<br>Other public securities                      | 599,553   | 631,914   |
|   |           |           |   | 10,075    | 8,657     |
|   |           |           | Balances due by other banks   | 2,000     | 8,400     |
|   |           |           | Loans less provision<br>for doubtful debts                                  | 2,183,623 | 1,692,678 |
|   |           |           | Shares in subsidiary  | 5,000     | 5,000     |
|   |           |           | Other securities  | 18,224    | 8,091     |
|   |           |           | Other assets  | 31,363    | 25,777    |
|   | 3,575,781 | 2,731,417 |   | 3,575,781 | 2,731,417 |

## Profit and Loss Account for the year ended 30th September, 1983

|   |         |         |  |         |         |
|---|---------|---------|--|---------|---------|
| Expenses of management<br>and interest paid | 322,117 | 265,595 | Discount and interest<br>earned, commission and<br>other items | 375,833 | 317,464 |
| Income tax expense                          | 24,571  | 23,407  |  |         |         |
| Operating profit for year                   | 29,145  | 28,462  |  |         |         |
|   | 375,833 | 317,464 |  | 375,833 | 317,464 |
| Transfer to reserves                        | 18,000  | 18,000  | Balance brought forward  | 12,802  | 11,840  |
| Dividend                                    | 10,280  | 9,500   | Operating profit for year                                      | 29,145  | 28,462  |
| Balance carried forward                     | 13,667  | 12,802  |  |         |         |
|   | 41,947  | 40,302  |  | 41,947  | 40,302  |

\* Abridged format for information purposes only

# Esanda Limited

Summary of the Consolidated Audited Accounts\* as at 30th September, 1983

## Balance Sheet as at 30th September, 1983

|   | 1983      | 1982      |  | 1983      | 1982      |
|---|-----------|-----------|--|-----------|-----------|
| Shareholders' funds   | \$'000    | \$'000    | Assets   | \$'000    | \$'000    |
| Authorised capital:<br>150,000,000 ordinary shares of<br>\$1 each                         | 150,000   | 100,000   | Deposits with Australia and<br>New Zealand Banking Group<br>Limited                            | —         | 4,351     |
| Issued capital:<br>115,000,000 ordinary shares of<br>\$1 each, fully paid                 | 115,000   | 95,000    | Deposits at call and short term<br>investments   | 6,850     | 15,450    |
| Capital reserve   | 146       | 146       | Receivables, less provisions<br>and less income yet to mature<br>\$587,685<br>(1982 \$598,223) | 2,089,315 | 2,189,937 |
| General reserve   | 72,000    | 92,000    | Premises and equipment   | 11,315    | 11,717    |
| Retained profits  | 75,244    | 49,789    | Other assets   | 2,185     | 1,150     |
|   | 262,390   | 236,935   |  |           |           |
| <b>Liabilities</b>  |           |           |  |           |           |
| Debenture stock<br>Maturing within one year<br>\$518,892<br>(1982 \$407,389)              | 1,186,664 | 1,175,072 |  |           |           |
| Unsecured notes and deposits<br>Maturing within one year<br>\$497,975<br>(1982 \$634,860) | 580,310   | 732,212   |  |           |           |
| Provision for income tax  | 10,663    | 12,784    |  |           |           |
| Other liabilities   | 69,638    | 65,602    |  |           |           |
|   | 2,109,665 | 2,222,605 |  | 2,109,665 | 2,222,605 |

## Profit and Loss Account for the year ended 30th September, 1983

|   |         |         |   |         |         |
|---|---------|---------|---|---------|---------|
| Expenses of management and<br>interest paid | 351,487 | 324,420 | Discount and interest<br>earned commission and other<br>items | 422,998 | 395,873 |
| Income tax expense                          | 32,556  | 33,548  |   |         |         |
| Operating profit for year                   | 38,955  | 37,905  |   |         |         |
|   | 422,998 | 395,873 |   | 422,998 | 395,873 |
| Transfer to general reserve                 | —       | 15,000  | Balance brought forward                                       | 49,789  | 39,984  |
| Dividend                                    | 13,500  | 13,100  | Profit for year   | 38,955  | 37,905  |
| Balance carried forward                     | 75,244  | 49,789  |   |         |         |
|   | 88,744  | 77,889  |   | 88,744  | 77,889  |

\* Abridged format for information purposes only

# ANZ Banking Group (New Zealand) Limited

Summary of the Consolidated Audited Accounts\* as at 30th September, 1983

## Balance Sheet as at 30th September, 1983

| Shareholders' funds   | 1983<br>NZ\$'000 | 1982<br>NZ\$'000 | Assets   | 1983<br>NZ\$'000 | 1982<br>NZ\$'000 |
|---|------------------|------------------|--|------------------|------------------|
| Authorised capital:<br>100,000,000 ordinary shares of<br>NZ\$1 each | 100,000          | 100,000          | Cash and short term funds  | 27,579           | 20,113           |
| Issued capital  | 53,148           | 53,105           | Treasury bills   | 113,515          | 27,475           |
| Reserves  | 77,757           | 39,398           | New Zealand Government,<br>local authority securities<br>and other investments | 474,672          | 311,667          |
| Retained profits  | 17,422           | 16,802           | Cheques in course of collection and<br>balances with other banks               | 13,064           | 41,559           |
|   | 148,327          | 109,305          | Loans and advances   | 1,902,230        | 1,843,561        |
| <b>Liabilities</b>  |                  |                  | Bills receivable and remittances in<br>transit                                 | 74,643           | 63,683           |
| Loan funds  | —                | 10,000           | Bank acceptances   | 83,999           | 83,358           |
| Deposits  | 2,272,360        | 2,014,673        | Premises and equipment   | 48,349           | 40,420           |
| Proposed final dividend   | 4,781            | 4,779            | Investment in associated<br>companies  | 1,632            | 1,731            |
| Provision for taxation  | 5,031            | 7,443            | Loans to associated companies  | 6,828            | 4,804            |
| Due to other banks  | 58,399           | 96,217           | All other assets   | 24,462           | 29,626           |
| Bank acceptances  | 83,999           | 83,358           |  |                  |                  |
| Bills payable, other provisions and<br>other liabilities            | 198,076          | 142,222          |  |                  |                  |
|   | 2,770,973        | 2,467,997        |  | 2,770,973        | 2,467,997        |

## Profit and Loss Account for the year ended 30th September, 1983

|   |         |         |  |         |         |
|---|---------|---------|--|---------|---------|
| Expenses of management<br>and interest paid | 343,318 | 292,964 | Discount and interest<br>earned, commission and<br>other items | 428,573 | 362,625 |
| Income tax expense                          | 39,501  | 33,385  |  |         |         |
| Operating profit for year                   | 45,754  | 36,276  |  |         |         |
|   | 428,573 | 362,625 |  | 428,573 | 362,625 |
| Transfer to reserves                        | 35,992  | 29,725  | Balance brought forward  | 16,802  | 19,551  |
| Dividend — interim                          | 4,780   | 4,778   | Operating profit for year                                      | 45,754  | 36,276  |
| — proposed final                            | 4,781   | 4,779   | Extraordinary items  | 419     | 257     |
| Balance carried forward                     | 17,422  | 16,802  |  |         |         |
|   | 62,975  | 56,084  |  | 62,975  | 56,084  |

\* Abridged format for information purposes only

# Finance Corporation of Australia Limited

Summary of the Consolidated Audited Accounts\* as at 30th September, 1983

## Balance Sheet as at 30th September, 1983

| Shareholders' funds  | 1983<br>\$'000 | 1982<br>\$'000 | Assets   | 1983<br>\$'000 | 1982<br>\$'000 |
|--|----------------|----------------|--|----------------|----------------|
| Authorised capital   | 100,000        | 100,000        | Liquid funds   | 3,078          | 31,825         |
| Issued capital   | 73,500         | 73,500         | Investments  | 220            | 218            |
| Retained profits   | 22,446         | 12,975         | Receivables, less provisions<br>and less income yet to mature<br>\$155,172<br>(1982 \$170,999) | 433,825        | 423,440        |
|  | 95,946         | 86,475         | Premises and equipment   | 1,388          | 1,459          |
| <b>Liabilities</b>   |                |                | Development ventures   | 9,425          | 8,874          |
| Debenture stock<br>Maturing within one year<br>\$184,543<br>(1982 \$162,289) | 334,745        | 345,628        | Other assets   | 907            | 1,005          |
| Deposits and bills payable   | 8,976          | 23,643         |  |                |                |
| Provision for income tax   | 2,506          | 4,781          |  |                |                |
| Other liabilities  | 6,670          | 6,294          |  |                |                |
|  | 448,843        | 466,821        |  | 448,843        | 466,821        |

## Profit and Loss Account for the year ended 30th September, 1983

|   |        |        |  |        |        |
|---|--------|--------|--|--------|--------|
| Expenses of management and<br>interest paid | 62,553 | 59,598 | Discount and interest<br>earned, commission and<br>other items | 85,214 | 81,942 |
| Income tax expense                          | 8,920  | 8,835  |  |        |        |
| Profit for year                             | 13,741 | 13,509 |  |        |        |
|   | 85,214 | 81,942 |  | 85,214 | 81,942 |
| Dividend                                    | 4,270  | —      | Balance brought forward  | 12,975 | (534)  |
| Balance carried forward                     | 22,446 | 12,975 | Profit for year  | 13,741 | 13,509 |
|   | 26,716 | 12,975 |  | 26,716 | 12,975 |

\* Abridged format for information purposes only



# Analysis of Shareholdings

## Twenty Largest Shareholders

As at 9th November, 1983, the twenty largest shareholders held 81,435,682 shares, which is equal to 38.5 per cent of the total issued capital of 211,370,046 shares of \$1 each. They were:—

| Shareholders:   | No. of Shares     | %           |
|---|-------------------|-------------|
| A.N.Z. Nominees Limited                                     | 17,078,768        | 8.1         |
| Australian Mutual Provident Society                         | 11,670,596        | 5.5         |
| C.T.B. Nominees Limited                                     | 10,959,634        | 5.2         |
| National Nominees Limited                                   | 10,405,713        | 4.9         |
| The National Mutual Life Association of Australasia Limited | 4,235,592         | 2.0         |
| Nenom and Company Inc.                                      | 3,704,824         | 1.8         |
| Bank of New South Wales Nominees Pty Limited                | 3,610,061         | 1.7         |
| The Pearl Assurance Co. Limited                             | 2,410,305         | 1.1         |
| Government Insurance Office of New South Wales              | 2,241,478         | 1.1         |
| The Mutual Life and Citizens Assurance Company Limited      | 1,749,384         | 0.8         |
| William and Glyn's Bank Limited "B.E.B." Account            | 1,687,496         | 0.8         |
| Eagle Star Insurance Company Limited 'H' Account            | 1,582,028         | 0.7         |
| Midland Bank (Head Office) Nominees Limited                 | 1,500,000         | 0.7         |
| State Superannuation Board                                  | 1,492,000         | 0.7         |
| The Colonial Mutual Life Assurance Society Limited          | 1,422,443         | 0.7         |
| Provident and Pensions Holdings Pty Limited                 | 1,203,820         | 0.6         |
| Commercial Union Assurance Company of Australia Limited     | 1,188,000         | 0.6         |
| O P F Nominees Pty Limited                                  | 1,115,758         | 0.5         |
| ICIANS Pension Fund Securities Pty Limited                  | 1,096,730         | 0.5         |
| Refuge Assurance Co. Ltd                                    | 1,081,052         | 0.5         |
|   | <u>81,435,682</u> | <u>38.5</u> |

**Voting Rights of Shareholders** The articles provide for: — on a show of hands: 1 vote  
— on a poll: 1 vote for each fully-paid share held  
1 vote for every 10 partly-paid shares issued pursuant to the Company's Senior Officers' Share Purchase Scheme

## Directors' Shareholding Interests

|                    | Beneficial<br>As at 21st<br>October, 1983 |                            | Non-beneficial<br>As at 21st<br>October, 1983 |
|--------------------|---|----------------------------|---|
|                    | Fully-<br>Paid<br>Shares                  | Partly-<br>Paid<br>Shares# |   |
| Sir William Vines  | 1,874                                     | —                          | —   |
| J. D. Milne        | 4,274                                     | 50,000                     | —   |
| M. D. Bridgland    | 1,000                                     | —                          | —   |
| E. H. Burgess      | 2,000                                     | —                          | —   |
| D. C. L. Gibbs     | 3,750                                     | —                          | —   |
| C. J. Harper       | 600                                       | —                          | —   |
| W. J. Holcroft     | 2,635                                     | —                          | —   |
| A. G. Kilpatrick   | 3,900                                     | 21,000                     | —   |
| Dame Leonie Kramer | —   | —                          | —   |
| Sir James McNeill  | 3,000                                     | —                          | —   |
| Sir Laurence Muir  | 5,635                                     | —                          | —   |
| G. M. Niall        | —   | —                          | 15,000  |
| *L. M. Papps       | —   | —                          | —   |
|                    | <u>28,668</u>                             | <u>71,000</u>              | <u>15,000</u>                                 |

There were no changes in directors' shareholding interests in the Company between 21st October, 1983 and 2nd December, 1983.

# Ordinary shares of \$1 each, paid as to 10 cents only, issued pursuant to the Company's Senior Officers' Share Purchase Scheme.

\*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, 1983 the average size of shareholding was 5,087 (1982, 5,170).

## Distribution of Shareholdings

| Range                  | Number of<br>holders | % of<br>holders | Number of<br>shares<br>000's | % of<br>shares |
|------------------------|----------------------|-----------------|------------------------------|----------------|
| 1 to 1,000 shares      | 21,924               | 52.7            | 10,128                       | 4.8            |
| 1,001 to 5,000 shares  | 16,446               | 39.6            | 34,539                       | 16.3           |
| 5,001 to 10,000 shares | 1,856                | 4.5             | 12,684                       | 6.0            |
| Over 10,000 shares     | 1,325                | 3.2             | 154,019                      | 72.9           |
|                        | <u>41,551</u>        | <u>100.0</u>    | <u>211,370</u>               | <u>100.0</u>   |

## Category of shareholder

|                                  |               |              |                |              |
|----------------------------------|---------------|--------------|----------------|--------------|
| Men                              | 15,482        | 37.3         | 23,683         | 11.2         |
| Women                            | 16,622        | 40.0         | 24,062         | 11.4         |
| Joint Accounts<br>(Individuals)  | 4,009         | 9.7          | 8,556          | 4.0          |
| Banks and Insurance<br>Companies | 1,126         | 2.7          | 44,579         | 21.1         |
| Trustee Companies                | 252           | 0.6          | 6,139          | 2.9          |
| Pension Funds                    | 96            | 0.2          | 13,087         | 6.2          |
| Nominee Companies                | 798           | 1.9          | 57,463         | 27.2         |
| Other                            | 3,166         | 7.6          | 33,801         | 16.0         |
|                                  | <u>41,551</u> | <u>100.0</u> | <u>211,370</u> | <u>100.0</u> |

## Five year statistical summary

| For the year to 30th September                           | Amounts in \$ millions |          |          |          |          |
|--|------------------------|----------|----------|----------|----------|
|  | 1979                   | 1980     | 1981     | 1982     | 1983     |
| Group operating profit                                   | 107.1                  | 136.0    | 175.4    | 180.5    | 197.9    |
| Including  |                        |          |          |          |          |
| — Australian Trading Bank †                              | 50.7                   | 57.0     | 78.3     | 71.5     | 83.3     |
| — Australian Savings Bank                                | 22.0                   | 24.9     | 27.8     | 28.5     | 29.1     |
| — New Zealand Group (excluding minority interests)       | —                      | 10.8     | 16.1     | 20.6     | 25.2     |
| — Esanda   | 28.3                   | 30.7     | 33.9     | 37.9     | 39.0     |
| — Finance Corporation of Australia                       | —                      | 7.6      | 12.8     | 13.5     | 13.7     |
| Group operating profit and extraordinary items           | 114.9                  | 149.1    | 204.6    | 187.8    | 197.8    |
| Dividends  | 29.2                   | 37.4     | 53.5     | 58.5     | 63.1     |
| Number of times dividend covered by profits              | 3.7                    | 3.6      | 3.3      | 3.1      | 3.1      |
| Return on shareholders' funds                            | 17.0%                  | 17.3%    | 18.9%    | 17.0%    | 16.6%    |
| <b>Per fully-paid share</b>                              |                        |          |          |          |          |
| Dividends — declared rate                                | 22.0¢                  | 24.0¢    | 28.0¢    | 28.0¢    | 28.0¢    |
| Earnings (on average capital, adjusted for bonus issues) | 56.3¢                  | 65.8¢    | 84.3¢    | 86.5¢    | 94.6¢    |
| Net assets   | \$4.98                 | \$5.67   | \$5.34   | \$5.08   | \$5.70   |
| Net assets (adjusted for bonus issues)                   | \$3.22                 | \$3.78   | \$4.45   | \$5.08   | \$5.70   |
| <b>Year end</b>  |                        |          |          |          |          |
| Paid-up capital  | 126.7                  | 138.5    | 173.7    | 209.1    | 209.7    |
| Shareholders' funds                                      | 631.6                  | 785.0    | 928.2    | 1,062.8  | 1,194.9  |
| Total external liabilities                               | 11,125.1               | 13,662.7 | 15,820.1 | 19,643.7 | 21,502.5 |
| Ratio of external liabilities to shareholders' funds     | 17.6:1                 | 17.4:1   | 17.0:1   | 18.5:1   | 18.0:1   |
| Total assets   | 11,763.3               | 14,460.7 | 16,763.4 | 20,729.0 | 22,726.4 |
| Total deposits   | 7,357.3                | 8,794.5  | 9,822.0  | 11,514.7 | 12,389.3 |
| Trading Bank deposits†                                   | 5,150.2                | 4,944.2  | 6,190.8  | 7,323.1  | 7,498.2  |
| Trading Bank advances, loans etc.†                       | 3,942.8                | 4,194.3  | 5,283.1  | 7,019.5  | 7,282.7  |
| Australian Savings Bank deposits                         | 1,931.1                | 2,059.8  | 2,334.6  | 2,474.7  | 3,305.1  |
| Esanda total assets                                      | 1,456.4                | 1,710.9  | 2,017.8  | 2,222.6  | 2,109.7  |

† Includes New Zealand Trading Bank for 1979.



