

NOTES FORMING PART OF THESE ACCOUNTS

1. Bases of Accounting

These accounts are prepared on an historical cost basis. The following significant accounting principles have been applied:

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

(b) Provision for taxation includes an appropriate adjustment for deferred taxation.

2. The market value of Government and local authority securities at 30 September 1979 was \$88,627,000 (1978 \$101,397,000).

3. There is a contingent liability for subsidies on home lay-by accounts.

4. The names of other group companies in New Zealand are listed for reference:

Australia and New Zealand Banking Group Limited
 A.N.Z. Holdings Limited
 A.N.Z. Custodians Limited
 A.N.Z. Nominees Limited
 ANZ Pensions (UK) Limited
 ANZ Pensions Pty. Limited
 ANZ Properties (New Zealand) Limited
 Endeavour Investments (New Zealand) Limited
 Subsidiary of Endeavour Investments (New Zealand) Limited:
 UDC Group Holdings Limited
 Subsidiaries of UDC Group Holdings Limited:
 UDC Finance Limited
 UDC Mercantile Securities Limited
 UDC Properties Limited
 UDC Developments Limited
 UDC Nominees Limited
 United Dominions Corporation Limited
 Mercantile Discounts Limited
 Credit for Industry (NZ) Limited
 Financial Services Limited
 The Traders' Finance Corporation Limited
 United Finance Corporation Limited
 Rentacolor New Zealand Limited
 Mercantile Securities (Hong Kong) Limited
 Quebracho Investments N.V.
 Fifty-seven Willis Street Limited

REPORT OF THE AUDITORS TO THE MEMBERS OF A.N.Z. SAVINGS BANK (NEW ZEALAND) LIMITED

We have obtained all the information and explanations that we have required. In our opinion, proper books of account have been kept by the company so far as appears from our examination of those books. In our opinion, and to the best of our information and the explanations given to us, and as shown by the said books, the Balance Sheet and Profit and Loss Account are properly drawn up so as to give respectively a true and fair view of the state of the company's affairs as at 30 September 1979 and of the results of the business for the year ended on that date.

According to such information and explanations, the Accounts, the Balance Sheet and the Profit and Loss Account give the information required by the Companies Act 1955 in the manner so required.

Hutchison Hull & Co.
 Chartered Accountants
 Hunt Duthie & Co.
 Chartered Accountants } Joint Auditors.

NATIONAL BANK OF NEW ZEALAND SAVINGS BANK LTD.

BALANCE SHEET AS AT 31 OCTOBER 1979

	1979 \$N.Z.	1978 \$N.Z.
Shareholders' Funds—		
Authorised and issued capital ordinary shares of \$2 each	2,000,000	2,000,000
Paid up capital—1,000,000 ordinary shares of \$2 each paid up to 40 cents	400,000	400,000
General reserve	2,765,000	2,365,000
N.Z. Government stock revaluation Reserves (note 3)	304,974	335,321
Profit and loss appropriation account	335,104	229,438
	3,805,078	3,329,759
Current liabilities and provisions—		
Depositors' balances—		
Ordinary accounts	84,338,151	86,522,954
Home lay-by accounts	326,374	431,591
6 month investment accounts	103,474	63,955
9 month investment accounts	5,979,001	3,646,749
1 year investment accounts	50,300,109	13,445,325
2 year investment accounts	6,252,250	5,260,081
3 year investment accounts	18,400,963	16,866,391
	165,700,322	126,237,046
Provision for taxation—		
Current	455,624	470,014
Deferred (note 1b)	1,111,257	758,309
	1,566,881	1,228,323
Provision for dividend	750,000	120,000
Other liabilities (including interest accrued)	2,819,230	2,022,586
	3,569,230	2,142,586
	\$174,641,511	\$132,937,714

Deposits at the National Bank of New Zealand Ltd.	17,608,863	13,340,818
Investments (note 1c) —		
N.Z. Government stock	53,234,424	24,632,636
3½% N.Z. Government special stock, at cost	37,000,000	42,700,000
Local authorities securities, at cost	3,931,190	3,230,158
	94,165,614	70,562,794
Mortgages and other loans	60,029,044	47,833,650
Income accrued	2,837,990	1,200,452

S. T. RUSSELL, Chairman.
 M. D. SEARANCKE, Secretary.

\$174,641,511 \$132,937,714

The notes annexed form part of these accounts.

PROFIT AND LOSS ACCOUNT FOR YEAR ENDING 31 OCTOBER 1979

	1979 \$N.Z.	1978 \$N.Z.
Expenditure—		
Interest to depositors	6,632,683	4,530,866
Management and operating expenses	3,333,553	2,690,623
Directors fees
Total expenses	9,966,236	7,221,489
Provision for taxation	1,002,534	560,496
Net profit after taxation	1,225,319	685,051
	\$12,194,089	\$8,467,036

Income—Investments—		
New Zealand Government stock and local authority securities	5,001,509	3,163,382
Other investments	6,990,240	5,250,457
	11,991,749	8,413,839
Other income	202,340	53,197
	\$12,194,089	\$8,467,036

PROFIT AND LOSS APPROPRIATION ACCOUNT

Transfer to New Zealand Government Stock—		
Revaluation reserve	143,356	156,386
Less tax adjustment	64,510	70,373
	78,846	86,013
Transfer to general reserve	400,000	400,000
Provision for dividend	750,000	120,000
Balance carried forward	335,104	229,438
	\$1,563,950	\$835,451
Balance brought forward	229,438	(7,095)
Net profit for period	1,225,319	685,051
Transfer from New Zealand Government stock		
Revaluation reserve on account of stock		
matured or sold during period	198,532	286,354
Less tax adjustment	89,339	128,859
	109,193	157,495
	\$1,563,950	\$835,451