

1943  
NEW ZEALAND

RESERVE BANK OF NEW ZEALAND

ANNUAL REPORT OF THE BOARD OF DIRECTORS AND STATEMENT OF ACCOUNTS FOR THE YEAR  
ENDED THE 31st MARCH, 1943

*Presented to both Houses of the General Assembly, pursuant to Section 20 of the Reserve Bank of  
New Zealand Amendment Act, 1936*

ANNUAL REPORT

To the Hon. the MINISTER OF FINANCE.

THE Board of Directors presents hereunder the report on the operations of the Reserve Bank during the financial year ended the 31st March, 1943.

The net profit for the year, after making provision for depreciation and contingencies, amounted to £379,118 11s. 1d. This amount has since been paid into the Public Account to the credit of the Consolidated Fund.

Major changes in the balance-sheet figures as at 31st March, 1943, as compared with those of the previous year were as follows :—

LIABILITIES

*Bank Notes*

Throughout the year notes in circulation continued their upward movement, and at the balance date the total of notes outstanding was £6,245,699 10s. higher than at 31st March, 1942.

Expansion of notes in circulation is not confined to New Zealand, and is in the main attributable to the war. So far as New Zealand is concerned, the following factors have all contributed in varying degree : full employment, high wages and overtime, the pay of the Services, and the presence of American troops in New Zealand. The fact that a large proportion of the American troops stationed in New Zealand are paid in United States dollars has brought about a large increase in the work of the banking office.

ASSETS

*Sterling Exchange*

Although the increase since 31st March, 1942, is only £485,270 as at 31st March, 1943, the following table shows clearly how, throughout the year, the Bank's holdings of sterling were largely in excess of the previous year's figures. The decrease shown in March was due to the Bank providing sterling for the Government to enable approximately £8,000,000 sterling due under the Memorandum of Security to be repaid :—

| Last Monday in Month. |    |    |    | £(N.Z.)    | Last Monday in Month. |    |    |    | £(N.Z.)    |
|-----------------------|----|----|----|------------|-----------------------|----|----|----|------------|
| 1941                  |    |    |    |            | 1942                  |    |    |    |            |
| April                 | .. | .. | .. | 20,515,776 | April                 | .. | .. | .. | 20,614,438 |
| May                   | .. | .. | .. | 21,240,184 | May                   | .. | .. | .. | 22,774,577 |
| June                  | .. | .. | .. | 19,967,001 | June                  | .. | .. | .. | 24,722,575 |
| July                  | .. | .. | .. | 15,582,660 | July                  | .. | .. | .. | 24,668,845 |
| August                | .. | .. | .. | 15,090,850 | August                | .. | .. | .. | 25,219,709 |
| September             | .. | .. | .. | 14,747,969 | September             | .. | .. | .. | 26,610,331 |
| October               | .. | .. | .. | 11,528,333 | October               | .. | .. | .. | 25,827,387 |
| November              | .. | .. | .. | 11,044,531 | November              | .. | .. | .. | 26,454,990 |
| December              | .. | .. | .. | 13,293,676 | December              | .. | .. | .. | 26,573,999 |
| 1942                  |    |    |    |            | 1943                  |    |    |    |            |
| January               | .. | .. | .. | 13,757,244 | January               | .. | .. | .. | 28,751,671 |
| February              | .. | .. | .. | 19,498,715 | February              | .. | .. | .. | 31,262,642 |
| March                 | .. | .. | .. | 18,344,282 | March                 | .. | .. | .. | 22,230,554 |