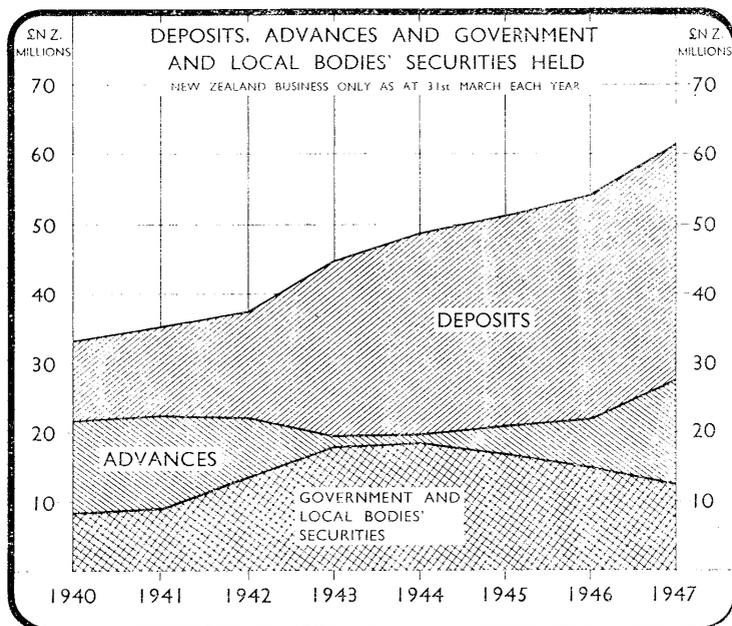


BALANCE-SHEET

Deposits: Fixed and Free.—These at £69,812,665 show a further increase this year of £7,671,096. In the last two years the increase has been £12,065,595. The increase is reflected in the increases in coin, Reserve Bank notes, and deposits with bankers under the next heading.

Graph (2) shows the movement since 1940 in deposits and in advances and investments for our New Zealand business only.



Coin, Reserve Bank Notes and Deposits with Bankers (£26,357,129).—These show an increase this year of £6,095,013 and an increase over the last two years of £9,256,664, the figures for 1946 being £20,262,116, and for 1945, £17,100,465.

As previously mentioned, these increases follow and are a corollary of the increases in deposits.

Our Reserve Bank Account and holding of Reserve Bank notes show an increase of £3,744,411 and now stand at £22,520,863 (viz., £17,861,055 and £4,659,808 respectively).

Our statutory deposit with the Reserve Bank of New Zealand amounted to £3,863,955, leaving us with surplus cash in this account amounting to £13,997,100 at balance date. It will readily be seen that the Bank's position is one of great liquidity. The holding of so much idle money is, of course, unprofitable, as the Reserve Bank allows no interest on these deposits.

Money at Call and Short Notice, Government Securities, and other Securities in London, £7,463,020, a decrease of £3,027,848.

The reduction in our call money was £3,050,000, but against this coin and cash on hand and balances with bankers, including overseas bankers, showed an increase of approximately £1,800,000. There is no particular significance in this movement as the balances are affected by day-to-day operations.