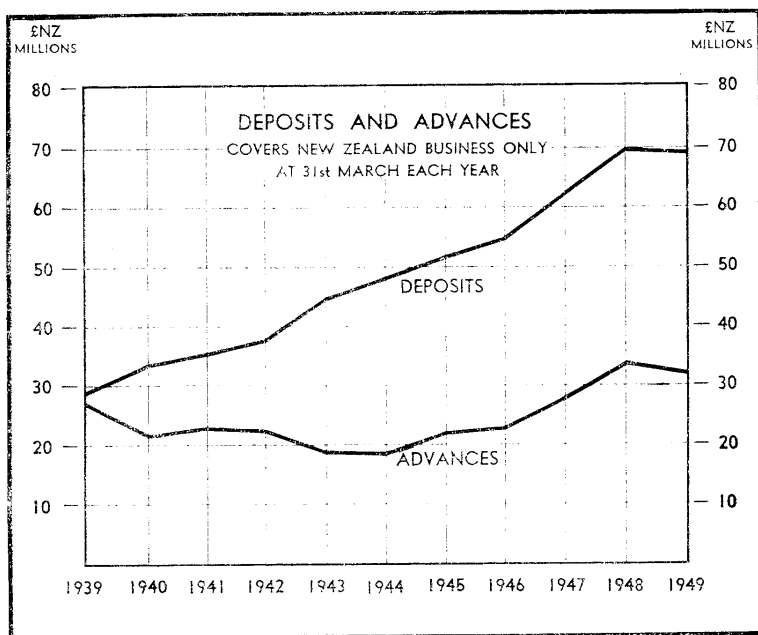


The graph below shows that the steady growth in the total of customers' deposits with us in New Zealand, which continued from 1939 till this year, has checked, and this experience is common to the other banks trading in New Zealand.



*Coin, Reserve Bank Notes, and Deposits With Bankers*, (£30,302,785) show an increase for the year of £5,491,838.

Our balance with the Reserve Bank of New Zealand at £22,877,458 shows an increase of £5,299,636, and our holding of Reserve Bank notes at £4,799,862 is up £173,724.

Our statutory deposit with the Reserve Bank of New Zealand amounted to £4,396,881, leaving us with surplus cash in this account at balance date of £18,480,577, compared with a surplus last year of £13,289,074.

The increase in our balance with the Reserve Bank is accounted for in the main by a decrease in New Zealand Government and local-body securities, a decrease in cheques held of other banks, and settlement covering the depreciation of overseas assets held on behalf of the Reserve Bank as a result of the alteration of exchange on 19th August, 1948.

No interest is allowed on the balance with the Reserve Bank. This represents idle money, but it naturally makes the position of the Bank extremely liquid.

*Money at Call and Short Notice, Government Securities, and Other Securities in London* (£8,989,030).—This shows a decrease of £23,990.

The moneys at call and short notice in London service the Bank's day-to-day operations. There are substantial commitments and liabilities against these funds and they are, of course, subject to rapid fluctuations.

The Reserve Bank of New Zealand holds the bulk of the Dominion's overseas funds under the exchange-control system that has been in force for some years.

The Bank's Reserve Fund of £3,575,000 included in the figures under this heading is invested in British Government securities. There has been no change during the year in our holding of investments in London.

*New Zealand Government Securities* (£9,191,076).—These show a reduction of £1,398,158, accounted for by the redemption of stock which fell due during the year.