

1895.
NEW ZEALAND.

BANK OF NEW ZEALAND AND COLONIAL BANK OF NEW ZEALAND

(REPORT BY THE PRESIDENT OF THE BANK OF NEW ZEALAND ON THE AGREEMENT
BETWEEN THE, FOR THE PURCHASE OF THE COLONIAL BANK'S ASSETS).

Laid upon the Table by the Hon. Mr. Seddon, by Leave, 24th October, 1895.

SIR,—
Bank of New Zealand, Wellington, 23rd October, 1895.
As requested, I have now the honour to report as under on the agreement between the Colonial Bank of New Zealand and the Bank of New Zealand for the purchase by the latter of the Colonial Bank's business and assets.

1. The amount of the assets referred to in the "A" list, and to be taken over, is £926,197; in the "B" list, £604,695; in the "C" list, £98,382.

2. The total amount of assets to be purchased as good by the Bank of New Zealand is £2,643,190, and the total amount of liabilities to be taken over is £2,509,284. The difference between these amounts—£133,906—is to be paid in cash to the Colonial Bank.

3. As stated in the agreement, the Bank of New Zealand is to hold the sum of £327,305 (being part of the assets shown in the books of the Colonial Bank) pending the taking-over, realisation, or adjustment of certain accounts set forth in the "B" and "C" lists.

4. The assets mentioned in list "D" amount to £102,274. They are not to be purchased by the Bank of New Zealand, but are eliminated in accordance with the Act.

5. The Colonial Bank directors and staff afforded every facility to the purchasing bank for a thorough investigation of their business. The examination by the directors, Auditor, and officers of the Bank of New Zealand was of a most searching and exhaustive character, and I may here state that the directors of the Colonial Bank anticipate that, in addition to the £133,906 agreed to be paid in cash, they will receive out of the £327,305 a further sum for distribution amongst their shareholders.

6. I am of opinion that the Bank of New Zealand will receive sound value in the assets aggregating £2,643,190 it has undertaken to purchase; and that, with prudent management on the part of the purchasing bank, the increased earning-power from this source, as stated in the report of the Banking Committee, should be fully realised; also, that the purchase on the basis of the agreement will be beneficial to the interests of the colony and to the shareholders of the Bank of New Zealand.

I have, &c.,

W. WATSON,
President.

The Hon. the Colonial Treasurer, Wellington.