

**BANK OF NEW ZEALAND.**

The ordinary Half-Yearly Meeting of the Shareholders was held on April 22nd, the Hon. JAMES WILLIAMSON (President), in the chair.

The GENERAL MANAGER, (Mr. D. L. Murdoch) read the advertisement convening the meeting, also the Half-Yearly Report and Balance-Sheet, as follows:—

THIRTY-SEVENTH REPORT of the Directors of the Bank of New Zealand, to the Half-Yearly General Meeting of the Proprietors, held at the Banking House, Auckland, on Thursday, 22nd April, 1880.

The Directors have the satisfaction of submitting the following result of the past half-year's operations:—

The net profit on 31st March, after fully providing for all bad or doubtful dependencies, and for the usual reductions in Bank premises and furniture accounts, amounts to ... ..	£74,101 17 4
To which has to be added—	
Premium obtained on sale of balance of new shares ... ..	17,193 0 0
Balance from half-year ending 30th September 1879... ..	5,890 6 5
<b>Making a total available for division of ...</b>	<b>£97,185 3 9</b>
Which it is now recommended be appropriated as follows—	
To payment of dividend at the rate of 10 per cent. per annum ... ..	£50,000 0 0
To bonus of 5s. per share, equal to 5 per cent. per annum ... ..	25,000 0 0
To balance carried to profit and loss new account... ..	22,185 3 9
	<b>£97,185 3 9</b>

The dividend and bonus will be payable at Head Office Auckland, on Saturday, the 24th April, and at Branches on receipt of advice.

For the Board of Directors.

JAMES WILLIAMSON,  
President.

**AGGREGATE BALANCE-SHEET OF THE BANK OF NEW ZEALAND,**  
At the 31st March 1880, including London Office at 31st January, 1880.

LIABILITIES.		£	s.	d.
Dr.	Capital ... ..	1,000,000	0	0
	Reserve Fund ... ..	555,000	0	0
	Notes in circulation ... ..	497,361	0	0
	Bills payable in circulation ... ..	1,337,451	6	1
	Deposits and other liabilities... ..	7,629,811	9	0
	Balance of profit and loss ... ..	97,185	3	9
		<b>£11,116,808</b>	<b>19</b>	<b>7</b>
ASSETS.		£	s.	d.
Cr.	Coin and Cash Balances at Bankers ... ..	2,114,667	0	0
	Money on short calls in London ... ..	875,456	0	0
	Bullion on hand and in transitu ... ..	119,549	15	4
	Government Securities ... ..	282,532	10	0
	Bills receivable, and Securities in London ... ..	1,081,433	9	7
	Bills discounted, and other Debts due to the Bank ... ..	6,454,979	11	2
	Landed Property, Bank Premises, etc.... ..	188,191	13	6
		<b>£11,116,808</b>	<b>19</b>	<b>7</b>
PROFIT AND LOSS ACCOUNT.		£	s.	d.
Dr.	To dividend on 100,000 shares, of £10 each, at the rate of 10 per cent. per annum ... ..	50,000	0	0
	To bonus at rate of 5s. per share, equal to 5 per cent. per annum ... ..	25,000	0	0
	To balance carried to profit and loss, "New Account" ... ..	22,185	3	9
		<b>£97,185</b>	<b>3</b>	<b>9</b>
Cr.	By balance from half-year ended 30th September, 1879 ... ..	5,890	6	5
	By premium on balance of New Shares sold ... ..	17,193	0	0
	By net profit for half-year ended 31st March 1880 ... ..	74,101	17	4
		<b>£97,185</b>	<b>3</b>	<b>9</b>
RESERVE FUND.		£	s.	d.
Dr.	To balance... ..	555,000	0	0
		<b>£555,000</b>	<b>0</b>	<b>0</b>
Cr.	By balance from half-year ended 20th September, 1879 ... ..	555,000	0	0
		<b>£555,000</b>	<b>0</b>	<b>0</b>

We hereby certify that we have examined the Accounts of the

Bank of New Zealand for the half year ended 31st March, 1880, and that we have counted the Cash Balances and examined the Bills and other securities held at the Head Office, and compared the returns of the Branches with the foregoing balances, and have found the same to be correct.

(Signed) JOSEPH L. WILSON, }  
ALLAN K. TAYLOR, } Auditors.

The CHAIRMAN said: Gentlemen—A very easy, but at the same time a very pleasing duty, has been assigned to me to-day, in proposing the adoption of the report and balance-sheet which you have just heard read. They require very little comment from me, and I will not long detain you in the remarks I have to make. The Colony, during the past half-year, has been "suffering a recovery." The cloud of depression which, you will remember, was so clearly depicted in the chairman's remarks at your last half-yearly meeting has gradually—but very gradually—lightened, and though not yet altogether dissipated, what is left is but the shadow of the dark cloud which enveloped us last year. Depending so much as New Zealand does on her pastoral and agricultural resources, the relief afforded by a favourable season, a bountiful harvest, and enhanced prices for our staple products, although not yet fully realised, has materially altered the financial condition of the producing interests, and has correspondingly improved the prospects of the monetary institutions doing business in the Colony. While freely recognising these evidences of improvement, we are still aware that there is a good deal of leeway to make up, and this, combined with the prospects of public finance, as disclosed from time to time in the Government returns has induced a policy of continued caution, which has not been conducive to large profits. The balance-sheet will prove to you that we have still felt it incumbent on us to keep our resources well in hand; and the exceptionally low rates which have ruled for money in London, where we have considered it desirable to keep large reserves, have considerably curtailed the half-year's profits. We are, however, able legitimately to pay our usual dividend and bonus, and to carry forward such an amount as affords a reasonable prospect of our being able, at next half-year, to make a substantial addition to our reserve fund. A reduction in the extreme rates for deposits, which has been forced upon us in the past, has been effected during the half-year; and this, with the more active demand for money, affords the prospect of more profitable use of our large resources, the effect of which will, I hope, be made apparent in our next report. In view of contemplated further taxation, it may be well that I remind shareholders that we already pay in duty on circulation, and on property, considerably over £10,000 per annum; and although we fully recognise the obligation of colonists to provide for current liabilities, it behoves us to see that the incidence of taxation does not too severely press on local institutions. Turning to the balance-sheet, it will be seen that our capital has been fully made up to a million by the disposal of the remnant of last issue, which was on hand at last balance—the premium on which appears at credit of profit and loss account. The circulation and bills payable are not materially altered, but an increase of a million is noticeable in deposits, which is due to temporary lodgements by the Government. Our cash balances and resources at short call, you will see, are ample for every contingency, and our ordinary advances remain much as they were at close of last half-year. While expressing my firm conviction in our ability to maintain our usual return to shareholders, the Directors are determined to be influenced more by consideration for the stability of the institution than by mere profit. It will be in the recollection of shareholders that at a special general meeting, held on the 27th Oct., 1875, an alteration was made in section 59 of the deed of settlement, by the transposition of the words "elsewhere in the British Dominions." Doubts have now been suggested whether that alteration, taken in connection with The New Zealand Bank Act, 1861, was properly made, and the Directors intend to apply, in the next session of the General Assembly, for a declaratory Act, to set at rest the suggested doubts. It will be remembered that at last half-yearly meeting it was announced that we had notified to the Government our desire to terminate the then-existing agreement as to their account. During the last session of Parliament the Public Accounts Committee recommended that the matter be left in the hands of the Government, and negotiations have since been in progress, but are not yet concluded, for a continuance of the account on modified terms. We have quite resolved that unless such reasonable terms can be secured as will ensure a profit on the heavy responsibilities attaching to the account, we will prefer to dispense with it; but I have little doubt that, in the interests of the Colony, the terms for which we stipulated will be acceded to. Shareholders will have been pleased to notice that our London Board has been strengthened by the acquisition of Sir Penrose Julyan, late Crown Agent for the Colonies, whose long association with financial circles, and acquaintance with the requirements of the Colony, will no doubt prove of material advantage to the Bank. Although no official intimation has yet been received, we are aware that Sir James Fergusson has been appointed Governor of Bombay, which will, for a time at least, deprive us of his valuable assistance; but we trust that, at a future period, his relations with us may be renewed. I congratulate shareholders on the improved aspect of commercial matters in the colony, the steady influx of capital, and the continued rapid settlement on our rich agricultural and pastoral lands; and, without taking too sanguine a view of the future, we may reasonably look forward to increased prosperity for this institution. With these remarks I beg to move the adoption of the report and balance-sheet.

Mr. C. J. STONE said: I beg to second the adoption of the report and balance-sheet just read. In doing so, I am not aware that it is requisite for me to make any remarks, after the very lucid statement that has fallen from the mouth of the President. I can fully endorse what he has stated as to the policy of caution which has characterised our operations as an institution during the past year. A reference to the naked figures of the balance-sheet does not disclose that policy, but those who, like myself, have had the opportunity of considering the returns of the Branches and the correspondence of the Managers will perceive that our policy has been a careful and conservative one,