

## 4. Government and Local Authorities Securities

	Government \$000	Local Authorities \$000
Face value at 31 March 1986 .. ..	415,469	4,398
Less unamortised discounts .. ..	4,415	577
Book value .. ..	<u>\$411,054</u>	<u>\$3,821</u>

Original cost \$409,613,000. Estimated market value of Government securities as at 31 March 1986 was \$339,394,000. Interest earned on Government securities for the year ended 31 March 1986 is \$48,528,000.

## 5. Interest in Partnerships and Associated Company

	Total Assets \$000	Total Liabilities \$000	Bank Share	
			\$000	%
A.S.B. and Atlantic & Pacific Travel Limited .. ..	855	710	80	50
Trusteebank Electronic Banking Authority .. ..	2,375	448	848	44
Wellington Savings Bank Development Partnership (90 percent independent valuation) .. ..	12,600	-	9,635	76
			<u>\$10,563</u>	

The Bank's investment in A.S.B. and Atlantic & Pacific Travel Limited as at balance date has been treated on an equity basis.

## 6. Fixed Assets

	1986 \$000	1985 \$000
Land at valuation (at cost 1985) .. ..	22,372	3,287
Buildings at valuation (at cost 1985) .. ..	28,226	10,886
Accumulated depreciation .. ..	-	(1,814)
	<u>28,226</u>	<u>9,072</u>
Computer, other assets .. ..	31,732	26,832
Accumulated depreciation .. ..	(14,859)	(12,416)
	<u>16,873</u>	<u>14,416</u>
	<u>\$67,471</u>	<u>\$26,775</u>

Land and buildings are valued annually and are recorded at a value which is 90 percent of the independent registered valuation. Changes in valuations are transferred direct to reserves.

## 7. Extraordinary Items

This represents the Bank's increased liability for deferred taxation due to the change in company taxation rates from 45 cents/\$ to 48 cents/\$ effective 1 April 1986.

## 8. Asset Revaluation Reserve

	\$000's
Land and buildings .. ..	37,857
Wellington Savings Bank Development Partnership .. ..	2,723
	<u>\$40,580</u>

## 8. Supplemented Mortgages

During the year supplemented mortgages were advanced in conjunction with the Housing Corporation of New Zealand. The amount invested is included in loans and advances, and the amount contributed by the Housing Corporation of New Zealand is included in term loans.

## 10. Commitments

	1986 \$000	1985 \$000
Capital expenditure commitments .. ..	7,705	125
Lending commitments approved but not advanced .. ..	28,437	24,515

## AUDITORS' REPORT

We have audited the books and accounts of the Bank for the year ended 31 March 1986 in accordance with generally accepted auditing standards, and have carried out such procedures as we considered necessary.

In our opinion, the financial accounts, together with the notes thereon, are properly drawn up so as to give, using the historical cost method, modified by the revaluation of land and buildings, a true and fair view of the financial affairs of the Bank as at 31 March 1986 and the results of its operations and changes in financial position for the year ended on that date, in accordance with section 43 (2) of the Trustee Banks Act 1983.

TOUCHE ROSS & CO., Chartered Accountants.  
Auditors.

Auckland, 22 May 1986.