

THE STATE SAVINGS BANK OF VICTORIA

Guaranteed by the Government of Victoria

ESTABLISHED 1841



Branch Premises at Burwood—opened June, 1938.



HEAD OFFICE: ELIZABETH STREET, MELBOURNE

ANNUAL REPORT

For Year Ended 30th June, 1938.

THE STATE SAVINGS BANK OF VICTORIA

COMMISSIONERS:

W. Warren Kerr, C.M.G., C.B.E. (Chairman).
Jas. C. Gates, Esq. (Deputy Chairman).
Jno. Kean, Esq. Sir Walter Leitch, C.B.E.
A. E. Hocking, Esq.

GENERAL MANAGER:

J. Thornton Jones, J.P.

ASSISTANT GENERAL MANAGER:

Norman R. Williams, O.B.E., B.Com.

CHIEF ACCOUNTANT:

N. E. E. Graydon.

SECRETARY:

N. S. White.

.....
At 30th June, 1938, the Bank had
214 Branches and 375 Agencies
throughout the State.

Depositors numbered 1,430,272
with balances at their credit
amounting to £68,142,032.

Reserve Fund - - £3,500,000
.....

HEAD OFFICE:

Elizabeth Street, Melbourne, VICTORIA
AUSTRALIA

The State Savings Bank of Victoria

Established 1841.

(Guaranteed by the Government of Victoria.)

Head Office:

139-153 Elizabeth Street, Melbourne, C.1.

.....
The Commissioners of
the State Savings Bank
of Victoria, incorporated
under Act No. 3777,
administer two separate
and distinct departments,
namely:—

THE STATE SAVINGS BANK DEPARTMENT

(For Report, etc., see pages 1 to 11)

and

THE CREDIT FONCIER DEPARTMENT

(For Report, etc., see pages 13 to 19).

THE STATE SAVINGS BANK DEPARTMENT.

ANNUAL REPORT FOR THE YEAR ENDED 30th JUNE, 1938, laid before the Governor and both Houses of Parliament as required by Section 123 of Act No. 3777.

Ninety-Seventh Year.

1. The net profit for the year, after making full provision for doubtful debts, is £260,843/15/-. This profit, added to the balance of Profit and Loss Account brought forward from last year, amounts to £426,495/14/9, from which £250,000 is transferred to Reserve Fund and the sum of £176,495/14/9 is carried forward to next year.

2. Bank Premises. After being written down by £110,700, this asset—consisting of 249 properties—stands in the balance-sheet at £870,000.

3. The Reserve Fund is £3,500,000.

4. Liquid Assets (cash on hand and deposits with other Banks) are 32.74 per cent. of depositors' balances. In addition to these funds, the Bank holds many short-dated securities—£29,584,490 in Commonwealth Treasury Bills and Australian Consolidated Inscribed Stock and Bonds and £1,804,718 in securities issued by municipalities and other public authorities—all payable within five years.

5. The proportionate investment of funds at 30th June, 1938, is as follows:—

Cash on hand and deposits with other banks	£22,510,422	7	7
Australian Consolidated Inscribed Stock and Bonds and Commonwealth Treasury Bills	30,444,911	13	6
Debentures of Municipal and other public authorities	18,456,423	19	5
*Mortgage loans, etc.	1,928,183	9	6
Bank premises	870,000	0	0
	†£74,209,941	10	0

*The term for most of these loans is limited to three years. Long-term loans are granted in the Credit Foncier department.

†This sum includes Insurance Trust funds, which were deducted when calculating the percentage of liquid assets to depositors' balances shown in paragraph 4.

6. The amount at credit of depositors at 30th June, 1938, is £68,142,031/12/10, being £2,386,839/8/8 in excess of depositors' balances at 30th June, 1937, as shown in the following statement:—

Depositors' balances at 30th June, 1937	£65,755,192	4	2
Deposits received during the year	51,054,447	17	11
Interest added to depositors' accounts	1,279,632	5	10
	£118,089,272	7	11
Amount withdrawn during the year	49,947,240	15	1
Depositors' balances at 30th June, 1938	£68,142,031	12	10

This is the highest total reached in the history of the Bank and represents £36/10/4 per head of the population of Victoria.

After deducting 391,887 inoperative accounts under £1, the average amount at credit of depositors is £65/5/4, compared with £64/15/6 the previous year.

7. Depositors' Accounts.

Number at 30th June, 1937	*1,393,114
Accounts opened during the year	171,246
Accounts closed during the year	134,088
Increase in number of accounts	37,158
Number at 30th June, 1938	*1,430,272

*Excluding Deposit Stock accounts and accounts of School Banks and Group Savings Club depositors referred to in paragraphs 8, 9 and 10.

8. Interest on Depositors' Accounts.

- (a) Pass-book accounts (on minimum monthly balance on even pounds up to £1,000)—2 per cent. per annum.
 (b) Deposit Stock (on daily balance up to £1,000)—2½ per cent. per annum.

Any depositor may invest in Deposit Stock, in sums of £10 or any multiple of £10 up to £1,000, in addition to having a pass-book account.

Sums may be withdrawn from Deposit Stock on notice being given as follows:—

Every £10	up to £40—	1 week's notice
From 50	to 100—	1 month's "
" 110	" 300—	2 months' "
" 310	" 500—	3 " "
" 510	" 700—	4 " "
" 710	" 900—	5 " "
" 910	" 1,000—	6 " "

In the event of death of the registered proprietor, the whole of the Stock is payable at not more than one month's notice.

Interest on this Stock is free of State Income Tax (ordinary and special) but is subject to State Unemployment Tax and Federal Income Taxes.

9. School Banks number 2,767, compared with 2,758 in the previous year; 392 are in the metropolitan area and 2,375 are in the country. Depositors number 198,349 and the amount at their credit is £288,866—an average of £1/9/2 each.

The amount at credit of these depositors exceeds £2,000 in four of these banks and £1,000 in twenty-three others.

The services of teachers are given voluntarily. As a mark of appreciation, the Bank has given two scholarships each of £40 per annum for competition by resident students doing the primary course at the Teachers' College.

10. The Service Department (inaugurated 1927).

Group Savings Clubs are established in factories and business houses to enable wage earners to deposit in the State Savings Bank portion of their earnings without having to visit the Bank. These clubs number 817. They are used by 65,337 members. The balance at their credit at 30th June, 1938, is £329,950/12/9. Deposits during the year amounted to £544,901/9/- and they numbered 1,403,927.

Pay envelopes, numbering 8,389,850, conveying thrift messages to stimulate the habit of saving small sums out of income, were supplied to 2,596 factories, firms etc., during the year. Employees receive their wages in these envelopes and the messages keep the objects of the Bank under constant notice.

Safety money boxes, numbering 63,157, were sold during the year at a cost of sixpence each. An approximate average of the contents of boxes opened at branches is £1/11/2. Since the date of the first issue in 1908, 1,435,397 have been sold.

11. Progress of the bank during the 97 years of its existence is reflected in the statements presented to Parliament with the original of this report, covering the operation of 214 branches and 375 agencies. At the principal metropolitan branch in Elizabeth Street, the balances at credit of 181,986 depositors have reached £9,199,838. Depositors' balances exceed £1,000,000 in seven other offices:—

Geelong	£1,899,728
Ballarat	1,872,919
Swanston Street	1,617,287
Bendigo	1,325,965
Prahran	1,190,124
Footscray	1,110,482
Brunswick	1,054,409
In 6 other branches the average is	830,202
" 13	593,056
" 56	358,175
" 131	122,661

New Branch. During the year a branch was opened at the corner of Toorak Road and Melton Avenue, Burwood.

12. The magnitude of the business is shown under the following headings:—

(a) Amount deposited in cash over the counters:—

Year ended 30th June, 1934	£33,829,820
" " " " 1935	36,409,899
" " " " 1936	40,005,084
" " " " 1937	41,221,163
" " " " 1938	43,745,711

The amount deposited in cash during the year exceeded £3,000,000 for each month, the highest amount being deposited in December when £4,062,707 was received.

(b) New accounts opened:—

1934	142,890
1935	148,663
1936	164,041
1937	165,431
1938	171,246

(c) Transactions:—

	Number of cash deposits	Number of cash withdrawals
1934	4,137,224	3,826,160
1935	4,359,460	3,876,767
1936	4,766,186	4,005,393
1937	4,997,018	4,067,736
1938	5,349,596	4,090,008

(d) Growth in the number of depositors and in the amount at their credit, in three successive periods of ten years:—

Year.	Number of Depositors (not including School Banks or Group Savings Clubs)	Amount at credit
1918	813,031	£31,108,436
1928	1,202,031	62,781,359
1938	1,430,272	68,142,031

13. Commonwealth Loans. During the past 23 years depositors have applied through the Bank for Commonwealth loans to the extent of £24,529,450.

14. Banking by post. This system is at the service of depositors residing in sparsely populated parts of the State, some distance from a branch or agency of the Bank. They may deposit or withdraw money through the post free of cost, even to the extent of postage stamps and stationery, which are provided. 1,522 depositors are availing themselves of these facilities.

15. The safe deposit department holds, on behalf of depositors and free of charge, 68,738 lodgments of debentures (issued or guaranteed by the Commonwealth or Victorian State Governments) for a total face value of £11,941,690. In addition parcels and boxes containing deeds etc., for which a small charge is made, are held for 13,513 depositors.

16. The Insurance Trust Fund, established in March, 1921, amounts to £725.133/7/-. There are 39,717 policies, amounting to £28,135,374, issued to borrowers from the State Savings Bank and Credit Foncier departments.

17. Loans on first mortgage are granted up to two-thirds of the Bank's valuation for a term of three years in sums from £300 to £25,000. The current rate of interest on new loans is $4\frac{1}{2}$ per cent. per annum.

Loans made during the year amounted to £300,328.

At 30th June, 98.4 per cent. of borrowers had paid in full their interest to the 31st March. Only nine properties are in possession.

W. WARREN KERR, Chairman.	} Commissioners.
JAS. C. GATES, Deputy Chairman.	
JNO. KEAN,	
A. E. HOCKING,	
J. THORNTON JONES, General Manager.	

11th August, 1938.

Balance Sheet and Profit and Loss Account

See Pages 8 to 11

THE STATE SAVINGS BANK OF VICTORIA

SAVINGS BANK DEPARTMENT

BALANCE SHEET, 30th JUNE, 1938

LIABILITIES

Depositors' Balances, with Interest to date:—			
Current Accounts	£65,394,700	7	9
School Bank Accounts	288,866	8	8
Victorian Savings Bank Deposit			
Stock Accounts	2,458,464	16	5
	£68,142,031	12	10
Balance due for Agents' Salaries, and School Bank			
Commission	12,258	16	4
Sundry Amounts held in Trust	22,506	10	11
Officers' Trust and Provident Funds	666,015	8	2
Insurance Trust Fund Account	725,133	7	0
Reserve Fund	3,500,000	0	0
Interest Fluctuation Account	955,500	0	0
Fidelity Guarantee Fund	10,000	0	0
Profit and Loss Account	176,495	14	9

£74,209,941 10 0

Melbourne, 11th August, 1938.

J. THORNTON JONES,

General Manager.

We, the undersigned Auditors, in accordance with Section 49 of Act No. 3777, report that we have examined the books, accounts, and vouchers of the Commissioners, that we have satisfied ourselves as to the existence of the whole of the assets, and that the above Balance Sheet is, in our opinion, a correct statement of their accounts, and agrees with their books.

The Balance Sheets from the Branches have been accepted on the signatures of the respective Managers.

J. G. DAVIS } Chartered Accountants (Aust.),
A. H. BARRACLOUGH } Auditors.

Melbourne, 9th August, 1938.

THE STATE SAVINGS BANK OF VICTORIA

SAVINGS BANK DEPARTMENT

BALANCE SHEET, 30th JUNE, 1938

ASSETS

Cash on hand and at Bankers, Bank Fixed Deposits with accrued interest, and other liquid assets	£22,510,422	7	7
Australian Consolidated Inscribed Stock for the State of Victoria (Face Value, £28,644,980/4/8)	£28,644,980	4	8
Accrued Interest	368,709	10	3
	29,013,689	14	11
Australian Consolidated Treasury Bonds and Stock, and Commonwealth Treasury Bills (Face Value, £1,437,980)	1,425,300	6	10
Accrued Interest	5,921	11	9
	1,431,221	18	7
Credit Foncier Debentures and Stock (Face Value, £13,021,550)	13,021,550	0	0
Accrued Interest	70,554	16	1
	13,092,104	16	1
Melbourne and Metropolitan Board of Works Debentures and Stock (Face Value, £1,759,500)	1,641,762	0	0
Accrued Interest	26,829	12	6
	1,668,591	12	6
Municipal and other Public Authorities' Debentures and Stock (Face Value, £3,732,327/0/7)	3,658,154	13	11
Interest Accrued or Due	37,572	16	11
	3,695,727	10	10
Mortgage Securities	1,917,071	14	3
Properties in Possession	5,235	3	9
	1,922,306	18	0
Interest after provision	5,876	11	6
	1,928,183	9	6
Bank Premises	870,000	0	0
	£74,209,941	10	0

W. WARREN KERR } Commissioners of
JAS. C. GATES } the State Savings
JNO. KEAN } Bank of Victoria.
A. E. HOCKING }

We, the undersigned Auditors appointed by the Governor-in-Council under Section 124 (2) of Act No. 3777, report that we have examined the above Balance Sheet, and found it to agree with the books of the Commissioners of the State Savings Bank of Victoria, and have satisfied ourselves as to the existence of the assets.

R. R. TRELOAR } Chartered Accountants (Aust.),
J. WALLACE ROSS } Auditors.

Melbourne, 11th August, 1938.

THE STATE SAVINGS BANK OF VICTORIA

SAVINGS BANK DEPARTMENT

PROFIT AND LOSS ACCOUNT
For Year ended 30th June, 1938

EXPENDITURE

Dr.			
To Interest credited to Depositors—			
Current Accounts	£1,220,799	13	8
Victorian Savings Bank Deposit Stock Accounts	58,832	12	2
	£1,279,632	5	10
„ Interest credited to Fidelity Guarantee Fund	500	0	0
„ Interest credited to Officers' Trust and Provident Funds	31,196	8	4
„ Expenses of Management	553,687	2	10
„ Expenditure on Bank Premises for Maintenance, Painting, Repairs etc.	8,743	16	8
„ Writing down Bank Premises	110,700	0	0
„ Transfer to Officers' Provident Fund under General Order No. 35	8,007	0	0
„ Transfer to Reserve Fund	250,000	0	0
Balance—			
Forward from last year	£165,651	19	9
Profit for year	260,843	15	0
	£426,495	14	9
Less—Transfer to Reserve Fund	250,000	0	0
Forward to next year	176,495	14	9
	£2,418,962	8	5

THE STATE SAVINGS BANK OF VICTORIA

SAVINGS BANK DEPARTMENT

PROFIT AND LOSS ACCOUNT
For Year ended 30th June, 1938

REVENUE

Cr.	
By Balance from last year	£165,651 19 9
„ Gross Income for year, after provision for doubtful debts	2,253,310 8 8

£2,418,962 8 5

THE CREDIT FONCIER DEPARTMENT

ANNUAL REPORT FOR THE YEAR ENDED 30th
JUNE, 1938, laid before the Governor and both Houses
of Parliament as required by Section 123 of Act
No. 3777.

FORTY-SECOND YEAR.

1. **The Credit Foncier Department** was established in 1896, under Act No. 1481, for the purpose of granting long term loans to assist persons employed in agricultural, horticultural, viticultural or pastoral pursuits. In 1910, under Act No. 2280, advances were extended to include loans for the purchase or erection of dwellings and shops, and were again extended in 1920, under Act No. 3088, for the granting of loans to persons of small means to enable them to erect or to purchase their dwellings. Under Acts No. 3098 in 1920 and No. 3145 in 1921, advances were authorized to assist country industries, and were to be secured by mortgage over land, buildings, machinery and un-called capital.

2. (a) **Credit Foncier loans**, secured by a first mortgage, are granted for the following purposes on freehold land or land which can be made freehold:—

Farms.—Up to two-thirds of the Bank's valuation. To purchase or pay off liabilities, to improve or to develop the land, to purchase stock or implements or to work the land.

Dwellings and shops.—erected or to be erected.—Up to 70 per cent. of the Bank's valuation. To purchase or to pay off liabilities, to erect a dwelling-house or shop or to make improvements. (Buildings to be erected must be built either under the supervision of the Bank or under the supervision of an architect favourably known to the Bank.)

(b) **Credit Foncier Housing advances**, secured by a Contract of Sale, are made for the erection of houses for persons of small means who do not own a dwelling house, and who are in receipt of an income of not

more than £400 per annum. The principal conditions for the erection of these dwelling-houses are as follows:—

(i) The capital cost to the Commissioners of dwelling-house and land—including outbuildings, fences, lighting, water supply, drainage, sewerage and all other costs—must not exceed £1,000 if the dwelling-house is of wood, or £1,300 if the dwelling-house is of brick, stone or concrete; but the total cost may exceed these amounts provided the applicant pays the excess in addition to the deposit required by the Commissioners.

Liabilities for street construction etc., and for sewerage, existing at the date of the transfer to the bank, must be included in the capital cost.

(ii) The applicant must provide as deposit at least 15 per cent. of the estimated capital cost to the Commissioners; and the balance of purchase money outstanding on completion of the dwelling-house must not exceed 85 per cent. of the Bank's valuation of the property, with a maximum of £850 for a wooden dwelling, or £1,100 for a brick, stone or concrete dwelling. The estimated cost of any anticipated liability for street construction etc., and for sewerage will be deducted from the amount available.

(iii) The amount provided by the Bank is repayable by monthly instalments of principal and interest over 27 11-12th years. The present rate of repayment (including interest at the rate of $4\frac{1}{2}$ per cent. per annum) is 10/6 for each £100, but, at the end of ten years and twenty years after the date of contract, the repayment and interest rates will be reviewed; the interest rate will not, however, be increased beyond the Bank's then ruling rate.

(iv) Dwelling-houses must be erected under the supervision of the Bank, and in accordance with either of the following methods:—

To a plan selected from 90 of the Bank's designs, and in accordance with the Bank's standard specifications. A fee of £8 is charged for plans, specifications and supervision.

To plans prepared by the Bank in accordance with the applicant's own design, and to the Bank's standard specifications. A fee of £20 is charged for the preliminary sketch designs, plans, specifications and supervision.

(v) Any purchaser who is not in arrear may at any time deposit with the Bank any sum to be held for future payments, and interest will be credited on such deposit at the same rate as is payable on the balance of purchase money (now $4\frac{1}{2}$ per cent.).

(vi) The purchaser must personally occupy the house and cannot therefore let, lease, sell or mortgage his interest in the property without the written consent of the Commissioners.

(vii) The purchaser may at any time after five years pay off the balance of his purchase money with interest to date of payment, and will be given a transfer, the cost of which must be borne by him.

Since the inception of these advances in the year 1921, houses numbering 7,697 have been erected, and 4,158 have been purchased by the Credit Foncier Department for applicants. The amount of principal owing by purchasers, at 30th June, is £5,284,553.

3. The net profit for the year, after making full provision for doubtful debts, is £29,324/16/10, compared with £28,592/7/2 for the previous year. The profit has been carried to the Reserve Fund, as required by Act No. 3777, increasing it to £595,107/2/6, in addition to which there is a Depreciation Fund of £400,000.

Apart from these reserves, it has been considered prudent for some years past to build up a provision account from income to cover any doubtful debts.

4. Funds for the purpose of making advances are obtained chiefly from the flotation of Credit Foncier debenture loans, of which the total amount current is £20,754,930, compared with £20,807,280 at 30th June, 1937, the liability having been reduced by £52,350 during the year. These debenture loans are guaranteed by the State Government and the interest is free from both ordinary and special State Income Tax, but is subject to Unemployment Relief Tax and Federal Income Taxes.

5. Advances made during the year amounted to £1,418,328 compared with £1,183,673 in the previous year.

6. Various classes of loans. The following statement shows, under each class of loan, the amount now invested, the total sum advanced and the principal repaid from the commencement of Credit Foncier loans in 1897 to 30th June, 1938:—

Class of Loan	Com- menced (Year)	Advanced	Principal Repaid	Number of Loans	Balance
Farms, civilians	1897	£10,692,024	£6,500,484	4,484	£4,191,540
Farms, returned soldiers	1919	839,817	442,779	418	397,038
Dwellings and shops, civilians	1911	22,038,102	13,206,864	20,022	8,831,238
Dwellings and shops, returned soldiers	1917	6,257,028	3,860,671	5,472	2,396,357
Housing	1921	8,559,622	3,247,229	9,119	*5,312,393
Country Industries	1922	177,474	131,874	7	45,600
		48,564,067	27,389,901	39,522	†21,174,166

*Including land at Fisherman's Bend for future operations, £27,840.

†Towards the repayment of this amount, borrowers have lodged to their credit, in advance, £307,905, which earns interest at the rate paid on the mortgage account.

7. The average balance of loans at 30th June, 1938, is as follows:—

Farm loans	£936	1	3
Loans on dwellings and shops	440	8	0
Housing loans	579	10	2

8. Repayments of Principal. The amount of principal repaid by borrowers during each of the past five years is shown in the following statement:—

Class of Loan	1934	1935	1936	1937	1938
Farms	£245,505	£247,086	£226,095	£220,382	£303,944
Dwellings & shops	844,362	911,402	970,893	857,186	833,621
Housing	260,556	385,262	459,443	410,346	314,181
Country industries	4,881	8,066	6,009	16,352	9,592
	1,355,304	1,551,816	1,662,440	1,504,266	1,461,338

9. Borrowers who have paid their interest in full. The percentages, at 30th June, of those who have paid their interest to the end of the previous quarter (31st March) are as follows:—

Farm loans	81.0	per cent.
Loans on dwellings and shops	97.4	" "
Housing loans	98.9	" "

10. The percentages of properties in possession to the number of loans are as follows:—

Farm loans	2.2	per cent.
Loans on dwellings and shops	0.1	" "
Housing loans	0.2	" "

(The rents at 30th June, derived from properties let, yield a gross return of $3\frac{1}{4}$ per cent. on the total principal debt in respect of all properties in possession.)

11. The Rate of Interest for all loans is $4\frac{1}{2}$ per cent. per annum, the minimum rate that can be charged to cover the costs of administration and provide a reserve for contingencies.

Borrowers are required to repay their loans by instalments payable on the dates when interest is due. The instalments (including principal and interest) for new loans are as follows:—

Farm loans—

Half-yearly payment of £3 for each £100 borrowed.
Loans on dwellings and shops—

Quarterly payment of £1/10/- for each £100 borrowed.
Housing loans—

Monthly payment of 10/6 for each £100 borrowed.

Loans, with the exception of housing loans—see paragraph 2 (b)—are for a period of ten years, but, provided the conditions of the mortgage have been fulfilled, the borrower will be entitled to a renewal on terms ruling at the time, subject to revaluation of the security if deemed necessary.

When a mortgage loan has been reduced to one-half of valuation, the borrower may be given the option of discontinuing the payment of principal by instalments. A borrower may pay off the whole of the advance before the maturity date, or, if not in arrear, may pay portion of the debt into a fund for earlier redemption of the loan, and receive interest thereon at a rate corresponding to the rate payable on the loan account.

12. Erection of dwelling-houses at Garden City, Fisherman's Bend, Port Melbourne.

In May, 1937, the Commissioners announced that they were prepared to build a further 22 houses, of a similar type and construction to those already built, on the remaining allotments in the third subdivision in this area.

The Commissioners have since granted applications for the erection of twenty houses which, when complete, will bring the total number provided by the Bank in this area to 204.

The total estimated cost of each house (including land, building, sewerage, street construction etc.) is £1,060, of which the applicant is required to provide a deposit of at least £125.

W. WARREN KERR, Chairman.	} Commissioners.
JAS. C. GATES, Deputy Chairman.	
JNO. KEAN,	
A. E. HOCKING,	

J. THORNTON JONES,
General Manager.

11th August, 1938.

THE STATE SAVINGS BANK OF VICTORIA

CREDIT FONCIER DEPARTMENT

BALANCE SHEET, 30th JUNE, 1938

LIABILITIES

Debentures and Debenture Stock—				
3½%	£13,000,000	0	0	
3½%	1,605,940	0	0	
3½%	223,570	0	0	
3½%	1,425,420	0	0	
4½%	3,500,000	0	0	
5¼% (F.E. Act, £4/1/4½%)	1,000,000	0	0	
5½% (F.E. Act, £4/5/3%)				
	£20,754,930	0	0	
Accrued Interest	122,201	8	2	
		£20,877,131	8	2
Interest on Debentures and Debenture Stock, due but not paid		2,660	15	6
Debentures and Debenture Stock matured but not yet paid		2,800	0	0
Borrowers' Payments in Advance on account of Principal, with interest added	£307,905	3	9	
Other Payments in Advance not bearing interest	328	6	2	
		308,233	9	11
Sundry Amounts held in trust		106,537	11	0
Savings Bank Department		2,600	0	9
Depreciation Fund		400,000	0	0
Reserve Fund		595,107	2	6
		£22,295,070	7	10

PROFIT AND LOSS ACCOUNT

Dr.				
To Interest on Debentures and Debenture Stock	£734,882	13	6	
„ Interest on Borrowers' Payments in Advance	13,134	0	8	
„ Provision for extinction of Discount on Debentures and Stock	8,662	19	10	
„ Expenses of Management	107,663	0	0	
„ Valuers' and Architects' Salaries and Expenses	15,654	13	5	
„ Profit for year—Transferred to Reserve Fund	29,324	16	10	
		£909,322	4	3

Melbourne, 11th August, 1938.

J. THORNTON JONES,

General Manager.

We, the undersigned Auditors, in accordance with Section 49 of Act No. 3777, report that we have examined the books, accounts and vouchers of the Credit Foncier Department, and that the above Balance Sheet is, in our opinion, a correct statement of its accounts, and agrees with its books.

We have satisfied ourselves that all securities are in the possession or in the control of the Commissioners, and that the cash at Bankers is correct.

J. G. DAVIS

A. H. BARRACLOUGH

Chartered Accountants
(Aust.), Auditors.

Melbourne, 9th August, 1938.

THE STATE SAVINGS BANK OF VICTORIA

CREDIT FONCIER DEPARTMENT

BALANCE SHEET, 30th JUNE, 1938

ASSETS

Mortgage Securities—				
Farm Loans	£4,037,883	19	9	
Farm Loans, Returned Soldiers	386,147	7	1	
Loans on Dwellings and Shops (including progress payments on houses in course of erection)	8,819,095	3	11	
Loans on Dwellings and Shops—Returned Soldiers	2,390,007	4	3	
Housing Loans (including land acquired for building purposes, and progress payments on houses in course of erection)	5,300,240	18	4	
Properties Let or Leased	171,887	13	3	
Properties in Possession	23,304	6	6	
Loans to Country Industries	45,599	11	5	
	£21,174,166	4	6	
Interest after provision	14,262	15	5	
		£21,188,428	19	11
Bank Fixed Deposit Receipts	895,000	0	0	
Accrued Interest	10,097	13	1	
		905,097	13	1
Discount on issue of Current Debentures and Stock	96,747	7	0	
Less—Proportion written off to date	78,413	5	7	
		18,334	1	5
Sundry Debtors		748	7	0
Cash at Bankers		182,461	6	5
		£22,295,070	7	10

FOR YEAR ENDED 30th JUNE, 1938.

Cr.

By Gross Income, after provision for doubtful debts £909,322 4 3

£909,322 4 3

W. WARREN KERR
JAS. C. GATES
JNO. KEAN
A. E. HOCKING

Commissioners of
the State Savings
Bank of Victoria.

We, the undersigned Auditors appointed by the Governor-in-Council under Section 124 (2) of Act No. 3777, report that we have examined the above Balance Sheet, and found it to agree with the books of the Credit Foncier Department. We further report that in accordance with Section 122 (2) of the above-mentioned Act, and so far as we are able to form an opinion, the net profits are as stated.

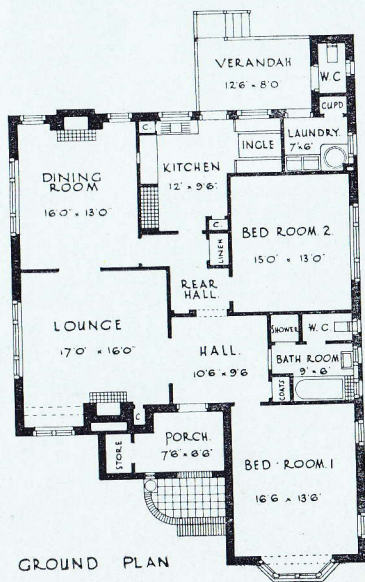
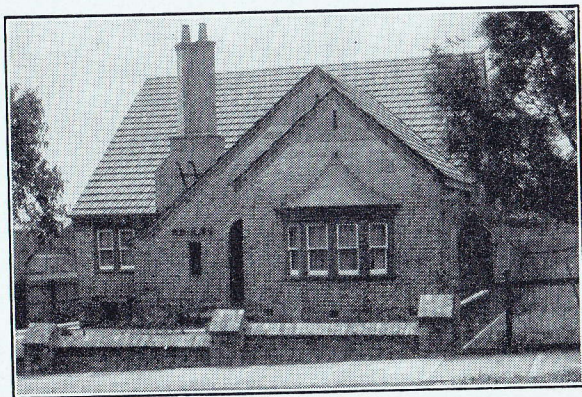
Melbourne,
11th August, 1938.

R. R. TRELOAR
J. WALLACE ROSS

Chartered Accountants
(Aust.), Auditors.

BRICK RESIDENCE.

Erected under the supervision of the Bank
on Credit Foncier Conditions.



TIMBER-FRAMED RESIDENCE, TYPE No. 5.

Erected under the supervision of the Bank
on Credit Foncier Housing Conditions.

