



Portrait by John Opie, R.A., reproduced from the original in the Mitchell Library, Sydney, with the permission of the Trustees.

GOVERNOR LACHLAN MACQUARIE,
who inspired the inaugural meeting of the Bank
of New South Wales in 1817 with this message:—

*Persevere, Gentlemen, in your exertions to foster this
Infant Establishment and be assured it shall ever have
my warmest support and patronage — and that the time is
not far distant when the Bank will on its own merits obtain
a public confidence, and gradually flourish, to the Credit and
Benefit of the Proprietors and the Country at large.*



BANK OF NEW SOUTH WALES



Richard Read's "View of Sydney Cove" (c. 1820)—from the original in the National Library of Australia, Canberra

Circular Quay, Sydney, in 1967



ON APRIL 8, 1817, the Bank of New South Wales was born and 1967 thus becomes the sesqui-centennial year for the first bank and first public corporation in the whole South West Pacific area.

The pictures opposite illustrate the changes that have taken place around the Bank's birthplace since the Governor, Major-General Lachlan Macquarie, first conceived the idea of a bank for New South Wales and developed and implemented it as his "favorite measure".

At the time, New South Wales was a struggling British colony — a penal settlement — whose name was applied not only to most of what was then known of the continent of Australia but also to New Zealand and to sundry islands of the Pacific as well.

There are very few banks in the world today which have had such a relatively long and intimate association with the growth of a nation as has "the Wales" with that of Australia and New Zealand.

It is older by far than any government in Australia or New Zealand. For all save twenty-nine years after the arrival of the First Fleet it has been fully operative and has never had to close its doors on a normal day of business. Nor has it ever failed to pay a dividend to its proprietors after the first one in 1819.

No other commercial enterprise can claim a relationship such as the Bank's with the march towards nationhood of both Australia and New Zealand. No other bank or business house has been a partner for so many years with the

peoples of both nations in their labours to attain the high standards of progress and prosperity which, with individual freedoms, characterize them today.

"The Wales" has become more than just a house of commerce: it is a part of the history of those areas in which it serves — a living tradition.

Out of the past it brings to the present all the benefits of its vast experience and pioneering service, and the theme of its 150th anniversary celebrations "Looking ahead" embodies today the zeal and the spirit of those men and women who corporately comprise the Bank of New South Wales.

From the time of his arrival in the colony of New South Wales at the end of 1809, Governor Lachlan Macquarie was troubled by the lack of a generally acceptable currency standard and means of making payments. The problem caused him, in 1816, to consider banning local "colonial currency" but, to do so, he had to provide an effective "sterling" substitute as a means of exchange.

After discussions with the Judge Advocate, John Wylde, Macquarie instructed his secretary, John Thomas Campbell, to invite a select group of magistrates and merchants to "a friendly consultation" at Wylde's chambers on November 20, 1816. It is not known whether they met that day, but two

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Secretary's Office
Tuesday 19th Nov^r 1816.

Sir,

It is proposed that a friendly Consultation of the Magistrates and Principal Merchants of Sydney should take place tomorrow (Wednesday) at the Chambers of the Honorable the Judge Advocate at the hour of twelve at Noon, on a Subject of much interest and importance in a Commercial point of view.

Your Attendance on the occasion is requested.

I have the honor to be

Sir,

Your Obedt. Hble Serv^t

Richard Campbell

Ed. P. C.

Circulars to

- The Hon^{ble} the Judge Advocate
- D. Wentworth Esq. J. P.
- A. Riley Esq. Esq.
- J. Lord Esq. Esq.
- Robt. Campbell Esq. Esq.
- Chas. Hook Esq. Esq.
- J. R. O'Connor Esq. Esq.
- Will^m. Brown Esq. Esq.
- Thos. Macbride Esq. Esq.
- Chas. Brooks Esq. Esq.
- Wm. Binnie Esq. Esq.
- Rich^d. Jones Esq. Esq.
- Robt. Jenkins Esq. Esq.
- J. I. Campbell Esq. J. P.

The letter sent by the Governor's Secretary, which convened the first meeting called in 1816 to consider setting up the Bank of New South Wales—reproduced from the original in the Mitchell Library, Sydney, by permission of the Trustees.

(COPY)

At a Meeting held this Twenty second Day of November, One thousand eight hundred and sixteen, at the HONOR ADVOCATE'S CHAMBERS, to take, by the Direction of HIS EXCELLENCY the GOVERNOR, into Consideration the present State of the COLONIAL CURRENCY, and what would be the Consequence of an immediate STERLING CIRCULATION.

It was Resolved, THAT the present Meeting is desirous that a STERLING CURRENCY should take Place in this Colony, under such REGULATIONS and PROVISIONS as HIS EXCELLENCY the GOVERNOR may deem proper and applicable, to a reduced Price of LABOUR and Rate of STERLING CHARGES, in every Kind of Dealing and Trade within the Colony.

That a Sum of not less than Twenty Thousand Pounds, in Shares of not less than one hundred each, in a PUBLIC COLONIAL BANK, transferrable by Assignment or otherwise, in due Course of Law, will be necessary for supplying a Circulating Medium for the Uses of the Colony.

That every Subscriber of £100 shall have a Right of a single Vote at every General Meeting, to be assembled in every Year upon all general Questions with regard to the Government and Management of the Bank, and upon the Appointment of the Committee and Officers, and passing of the Accounts; no Subscriber being allowed to have in Right of any Number of Shares in the said Bank, more than one Vote upon any Question submitted to the Meeting.

That the integral Management of the Bank and its immediate Concerns be committed to a Chairman and five Persons, chosen by the Subscribers yearly, and appointed Directors of the same.

That the general Object and Business of the Bank be to advance upon due Interest, and the Credit of the Bank, pecuniary Assistance to the Colonial Trader, Agriculturist, and Settler; as well as to afford a safe Depository of Money committed to its Security and Charge.

That no Dividends shall ever take place, or be made upon the Fund of £20,000, as first established; but that the same shall be applied to the Interest of the Bank Capital, at such Rate, and Times, as a Public Meeting shall authorize, upon suggestion from the Directors in that Respect.

That in Conviction of the beneficial Result that would thus be given to the Colony, in every View of its best Interests, as well as to put an End to the destructive Consequences and Embarrassment of the present Colonial Currency, the Undersigned thus voluntarily pledge themselves as approving the Measure of a Sterling Currency, as above suggested; the Establishment of a Colonial Bank, upon proper Regulations, as hereafter to be considered and adopted, and to become Subscribers thereto, and to support the Measure with all their Influence and Interest, provided HIS EXCELLENCY the GOVERNOR be pleased to sanction the same with His general Approbation and Permission

- (Signed)
- " G. MOLLE, Lieut. Governor;
 - " J. WYLD, Judge Adv. N. S. W.
 - " D. WENTWORTH;
 - " RICHARD JONES;
 - " ALEXANDER RILEY;
 - " THOMAS MACVITIE;
 - " ROBERT JENKINS;
 - " J. R. O'CONNOR;
 - " RICHARD BROOKS;
 - " C. HOOK;
 - " J. T. CAMPBELL;
 - " S. LORD;
 - " THOMAS WYLDE."

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BANK OF NEW SOUTH WALES.

THE SUBSCRIBERS to the BANK having now obtained the Permission of HIS EXCELLENCY the GOVERNOR to carry into Effect the Design of Establishing a Bank in this Colony, for the Purpose of Loan, Discount, and Deposit, take the present earliest Opportunity of inviting the Public to co operate and unite with them in this great Public Undertaking; and of giving Notice, that a Public Meeting will take Place on the Subject, at the Court-Room, in Sydney, on Thursday the 5th of December next, at Twelve at Noon; at which all Persons are requested to attend who may be disposed to join in the proposed Undertaking. Any Persons desirous of becoming Subscribers to the Bank, previous to the said Meeting, are requested to give in their Names and Residences at the Office of the Honorable the JUDGE ADVOCATE, or of Mr. SECRETARY CAMPBELL.

Left and above—Extracts from "The Sydney Gazette" of 22 November 1816—from the original in the Mitchell Library, Sydney, by permission of the Trustees.

days later almost the same group of "magistrates, principal merchants, and gentlemen of Sydney", invited in Macquarie's name, met "to take by direction of His Excellency the Governor, into consideration the present state of the colonial currency and what would be the consequence of an immediate sterling "circulation".

The meeting duly resolved that a sterling medium of circulation was desirable and went on to pass resolutions to establish a public colonial bank.

This is the first official record of the Bank.

Thirteen signatories pledged themselves to become subscribers and to support the Bank with all their influence and interest if the Governor would give it his sanction.

Two weeks later, on December 5, a public meeting was called, open to all those who were interested in becoming subscribers to the "Bank of New South Wales". Afterwards, forty-six names were listed as subscribers.

The next step was a meeting on December 18 of those who had pledged

|                      |    |    |    |     |   |
|----------------------|----|----|----|-----|---|
| Henry Colden         | 25 | 25 | 25 | 75  | ✓ |
| John Wylde           | 50 | 50 |    | 100 | ✓ |
| Joshua John Moore    | 25 |    |    | 25  | ✓ |
| Margaret Campbell    | 25 | 25 | 25 | 75  | ✓ |
| William Bankworth    | 75 | 75 | 75 | 225 | ✓ |
| John Bankworth       | 25 | 25 | 25 | 75  | ✓ |
| Alexander Riley      | 50 | 50 |    | 100 | ✓ |
| Fredricka Greling    | 50 |    |    | 50  | ✓ |
| Gregory Blackburn    | 25 | 25 |    | 50  | ✓ |
| George Howe          | 75 | 75 |    | 150 | ✓ |
| Richard Fitzgibbon   | 25 | 25 | 25 | 75  | ✓ |
| John Harris          | 50 | 50 |    | 100 | ✓ |
| Edward Redmond       | 50 | 50 | 50 | 150 | ✓ |
| John Thomas Campbell | 50 | 50 | 50 | 150 | ✓ |
| William Broughton    | 25 | 25 | 25 | 75  | ✓ |

This extract from the Bank's first share register contains several famous names—from the original in the Bank's archives.

themselves to subscribe and at that meeting a committee of fifteen, under John Wylde, was appointed to frame regulations for the Bank. A further meeting on February 7, 1817, approved the draft rules and elected by ballot seven directors, after which John Thomas Campbell was unanimously elected president of the Bank and Chairman of the Board.

**The First Directors**

- John Thomas Campbell, President
- D'Arcy Wentworth
- John Harris
- Robert Jenkins
- Thomas Wylde

William Redfern  
Alexander Riley  
(resigned 27/2/1817, replaced by William Gore, elected 6/3/1817).

The first board meeting was held on February 12, 1817, and the directors prepared a memorial to Macquarie soliciting a charter of incorporation which was received "most graciously".

The Charter was granted and prepared and was delivered to the President on March 22.

Paid up capital amounted to only £1,425.

Having chosen to lease Mrs. Mary Reibey's house in Macquarie Place and appointed staff . . . E. S. Hall as secretary and cashier, Robert Campbell (Junior) as accountant, and Joseph Hyde Potts as porter . . . the board was ready to open the Bank for business on Tuesday, April 8, 1817.

**The First Depositor**

Its first deposit, however, had been taken on the previous Saturday (April 5) from Sergeant Jeremiah Murphy.

But for the fact that he was the first customer of the first bank in the colony, Sergeant Murphy might have been passed over when history was written. But his place is assured and we are indebted to the Public Records Office, London, for the following information about the otherwise little-known Sergeant of His Majesty's 46th (or South Devonshire) Regiment of Foot:

**Sergeant Jeremiah Murphy:**

- Born: Parish of Creagh, Co. Cork.
- Trade: Labourer.
- Enlisted: Aged 23—3/8/1810 at Killarney.
- Description: **Height:** 5 ft. 6 ins. **Visage:** Round. **Complexion:** Swarthy. **Eyes:** Grey. **Hair:** Brown.



The charter granted to the Bank by Governor Macquarie on 12 February 1817—from the original in the Bank's archives.

Promoted: Corporal—25/11/1811.  
Sergeant—4/8/1815.

Service:  
Ireland (on recruiting duties).  
Jersey.  
Embarked Isle of Wight August 18, 1813, for Sydney N.S.W. When the Regiment left for Vellore, Madras, in September, 1817, Sergeant Murphy remained with Captain Wallis' Company in Van Diemens Land, rejoining the Regiment in India some time later. As a Sergeant his pay was at the rate of "1/10 per diem". He died at Bellary, Madras, 20/11/1820 and his effects and credits were willed to his wife, Honour Murphy, who was "with the Regiment".

From his pay of 1/10 a day, it would have been rather difficult for him to have accumulated the £50 which made

up the first deposit, but Murphy is known to have been a very industrious fellow and to have supplemented his military pay in sundry ways. For instance, he earned considerable amounts for the arduous task of rounding up stray cattle in the "new discovered country" west of the Blue Mountains and he received a government donation for supervising the building of the Macquarie Light on Sydney Harbour's South Head.

Although originally a labourer, Murphy obviously could read and write and he signed his name in the Bank's first signature book with a firm hand.

With a soldier as the Bank's No. 1 customer in 1817, it was coincidental but, perhaps, appropriate that, when the Wales opened its Savings Bank some one hundred and thirty-nine years later in 1956, the No. 1 account at the main Sydney Office should have been in the name of another military man — this

*Mr. Judge Barrister Taylor, and Mr. Justice Field, are further  
that I have been led into the exercise of this authority, by the  
sole motive that the Establishment, so formed will be  
productive of incalculable benefits to the Mercantile (and  
Agricultural) Interests of the Colony, and will redound to its  
future Credit and form an Era in its true Prosperity  
which will hereafter be looked back to with Public Gratitude  
and be eventually the Means of relieving the Mother Country  
from a great proportion of the weighty Expence which it has  
at present to bear, in consequence of the hitherto, relatively  
disproportionate energies of this Colony, Again Soliciting Your  
Lordship's favourable Consideration to the Wants of New  
South Wales - I have the honor to be*

*My Lord,  
Your Lordship's,  
most Obedient  
Humble Servant  
L. Macquarie*

Extract from Governor Macquarie's despatch of 29 March 1817 to Lord Bathurst—reproduced from the original in the Mitchell Library, Sydney, by permission of the Trustees.

time a most distinguished one — the late Lieutenant-General Sir Leslie Morshead, who was at the time President of the Bank.

## The First Borrower

Only a few days after the Bank was opened, the directors met to consider four applications for loans. The first to be approved was for £25 on mortgage to Owen Connor of Minto, an emancipist.

Connor had been sentenced in Ireland in 1793 to seven years transportation and had arrived in New South Wales on the convict ship "Marquis Cornwallis" in 1796.

When he gained his freedom he set up as a carpenter in the Rocks area on the shores of Sydney Cove.

In 1803, The Sydney Gazette carried an advertisement on his behalf for

a capital and substantial dwelling house with attic storey, kitchen and wash-house, a good garden containing three lemon trees, two orange ditto, a number of early Newington peach trees and a capital well constantly supplied with excellent water.

The premises were "weather-boarded shingled and glazed throughout".

A year later he was still in residence because the Gazette reported that his garden "in a remarkably fine state of cultivation" was laid waste by "a parcel of pigs".

Connor appears to have added to his income by trading because in the Gazette he advertised for sale some good Brazil tobacco and any quantity of excellent maize.

In 1810 he had been granted one hundred acres on the east bank of the Nepean River opposite John Macarthur's "Camden Park" and the rich "cowpastures" some thirty miles south of Sydney. His loan from the Bank seems to have been to help him to develop the farm, because the year it was granted he tendered to supply 1,000 lbs. of fresh meat to the government stores at Liverpool and subsequently he supplied wheat.

J. H. Potts, the Bank's first employee — reproduced by courtesy of his grandson, Mr. A. C. Fraser.



Today these one hundred acres are still in production.

## The First Banker

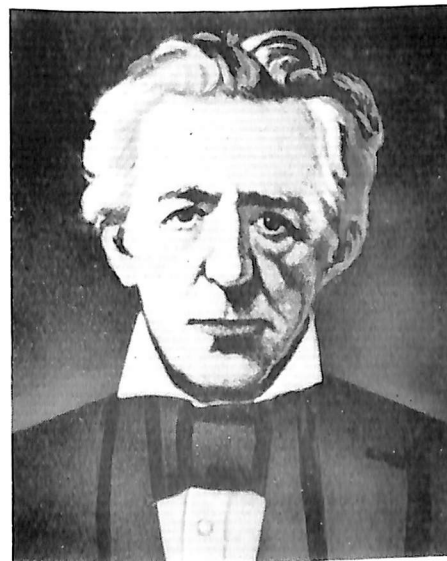
When the ship "Friends" berthed in Sydney Cove in 1811 a young man stepped ashore carrying a letter of introduction from Robert Peel, Under Secretary for the Colonies, to Governor Macquarie.

The man was twenty-five year old Edward Smith Hall. He was the son of an English banker and he had a good knowledge of bookkeeping. He was described as being of "steady, sober and honest character".

The letter recommended that he be granted an allotment of land "and such assistance in convicts, cattle and agricultural stores as can be conveniently spared".

The Governor granted him 700 acres of land at Bringelly, near Sydney, but this was difficult to work. Later Hall obtained a holding of two hundred acres on "the Surrey Hills", on the outskirts of the town, which commanded "a beautiful view of Botany Bay".

Australia's first banker, Edward Smith Hall— from the portrait by Gladstone Eyre in the Mitchell Library, Sydney.



From there he sent the Governor a huge turnip "as a specimen of the favourable soil and climate of the colony".

But Hall preferred desk and pen to fork and hoe and "commenced merchant" with ex-convict ship owner and trader Simeon Lord, who dealt in whole oil, sealskins, timber, coal, wool and wheat.

There was poverty in the colony and in 1813 Hall became the first secretary of the Society for the Promotion of Christian Knowledge and Benevolence, fore-runner of the Benevolent Society of N.S.W.

While working with Lord, Hall experienced the problems caused by the lack of an official currency. Coins were scarce. The few in use arrived from all parts of the world. Paper money consisted of paymasters' notes, receipts for grain delivered to the government store, and private notes, many of them worthless. The most uniform medium of exchange during this currency chaos was rum.

Hall had been a keen advocate of the proposal to establish a bank and was reported in the Sydney Gazette as having spoken in support of it at a meeting, first after the Chairman, and "in a clear and distinct manner".

In due course, Hall was appointed Cashier and Secretary at £200 a year "on condition that he should sleep every night at the Bank and never be out of Sydney after dark, which conditions Mr. Hall passed his word to fulfil".

He also gave personal security for £1,500.

His assistant was Robert Campbell, Jnr. and a few months after his appointment, Hall asked the directors if his assistant could occupy the bank premises instead of himself. The directors refused his request.

In January 1818 he sought an increase in salary but the minutes record that the Board did not see any reason for

altering the salaries of its officers. On 17/3/1818, less than a year after the bank first opened, Hall resigned following an argument with the President.

Later he started the Monitor newspaper and became a zealous fighter for causes. He was frequently committed for libel, was fined hundreds of pounds and spent more than three years in gaol. Governor Darling was the butt of his critical pen and Hall was partly responsible for the recall of the Governor to England.

## Women and the Wales

The first woman to own shares in an Australian corporation was Mrs. Margaret Campbell, wife of Robert Campbell Jr., Accountant of the Bank during its first year.

Another woman who helped Australia's first bank was the tireless Mary Reibey who, having been transported as the result of a high spirited prank, became a leading and well-to-do ship owner, merchant and farmer. She leased her house in Macquarie Place to the directors for an annual rental of £150.

The first woman customer of the Bank was Hannah McConnel who banked £55 in May 1819.

Women were not appointed to the permanent staff until 1898 when Misses Tennyson Beatrice Miller and Edith Lamb were placed on strength. Each was paid £80 a year to operate a "type-writing machine". They arrived at work late, left early, and worked in a room by themselves, apparently so that they would be as inconspicuous as possible.

Today women make up about half of the proprietors by number and some thirty-eight percent of the salaried staff.

## Early Difficulties

The Bank soon won a place for itself in the growing community; but its early years were full of difficulty. It encoun-

tered hostility from private issuers of notes and from officials and others opposed to Macquarie's policies. It suffered from defalcations; its constitutional position was tenuous since the British government considered that Macquarie had exceeded his authority in granting a charter. His immediate successors were indifferent and even unfriendly towards it.

In 1826, a cash drain hit the Bank and the directors were obliged to seek a government loan.

At this stage its constitution underwent a change; the charter granting limited liability, which had been given by Macquarie and renewed by Brisbane in 1823, had been pronounced invalid by the British government so the Bank was re-organized as a joint-stock company under a deed of co-partnership.

It continued in its new form under the Deed of Settlement from the beginning of 1828, but the process of signature took time and there were bitter arguments before the deed was effectively amended and endorsed. An Act of Council giving the Bank corporate

entity was passed on 31/3/1828 and a new board of twelve was eventually elected at a meeting of proprietors on 1/8/1828.

Another financial crisis was at hand however, and for the second time the Bank, in December 1828, sought government assistance. This was granted on condition that it wind up its affairs within a year, but through vigorous reformation the loan was quickly repaid, the Bank's affairs were restored, and the condition to wind up was ignored by both sides.

When the Bank's request to the Colonial Treasurer to re-open his account was consented to, its good relations were restored.

For the next two decades, the Bank's progress, though considerable, was pitched in a minor key. It was not in the public eye as much as some of its more spectacular competitors and despite heavy losses avoided the worst consequences of the depression of the 'forties.

In the late 'forties, a new vigour began to pervade the Bank and after

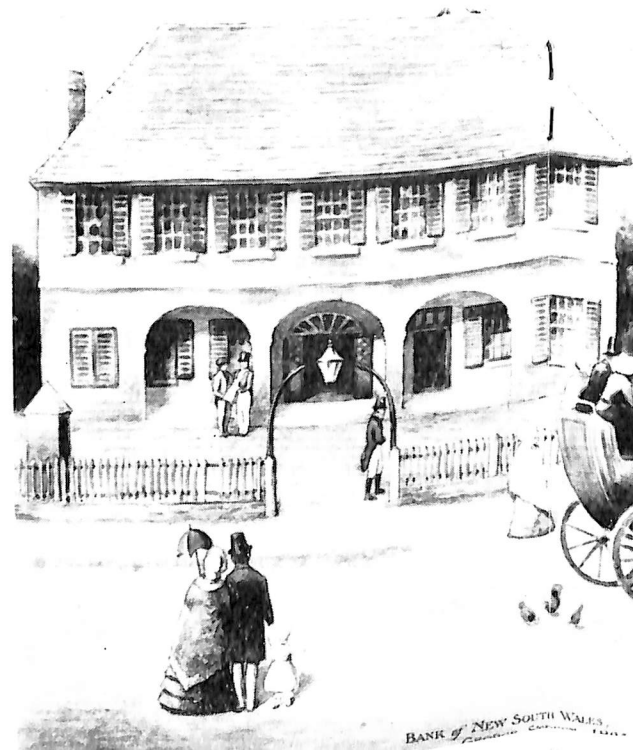
sundry changes on the Board, a reduction in the capital, and the approval of a supplementary Deed of Settlement, a major reconstruction was undertaken in 1850.

When a committee appointed by the Board recommended an entirely new less restrictive Deed of Settlement and an Act of the Legislative Council to incorporate the company, the proprietors agreed on 17/9/1850 to launch the "new" Bank of New South Wales and elected a new board of directors. The Act of Incorporation was passed and received assent on 23/9/1850.

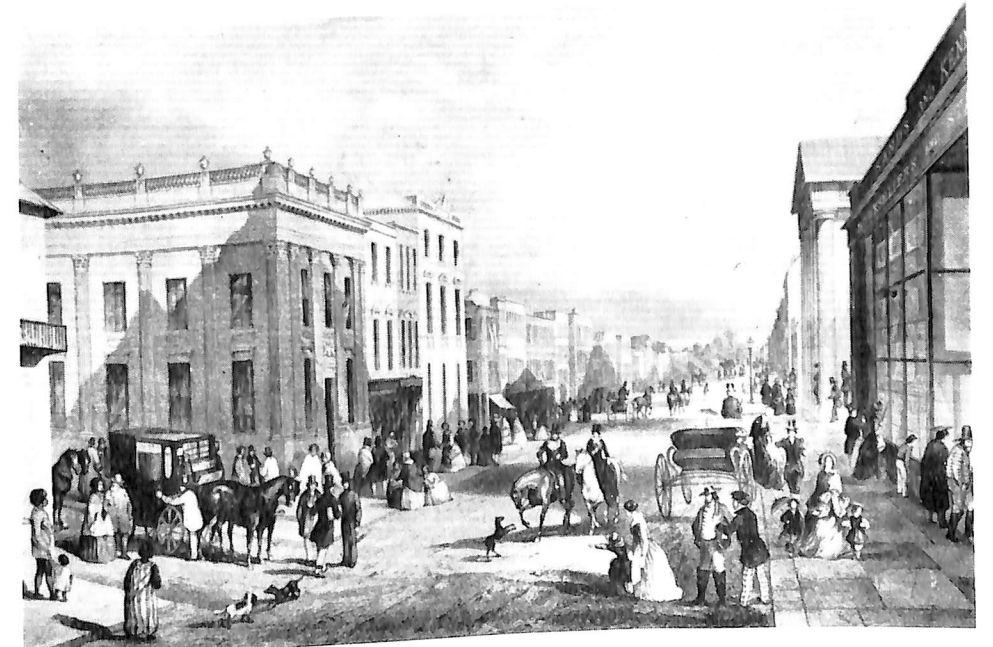
The "new" bank opened to the public on October 4 with a capital of £125,000 in £20 shares in the "old" premises in George Street. There the "old" bank continued to exist alongside the "new" until it paid a final dividend on 1/2/1852 and officially came to an end.

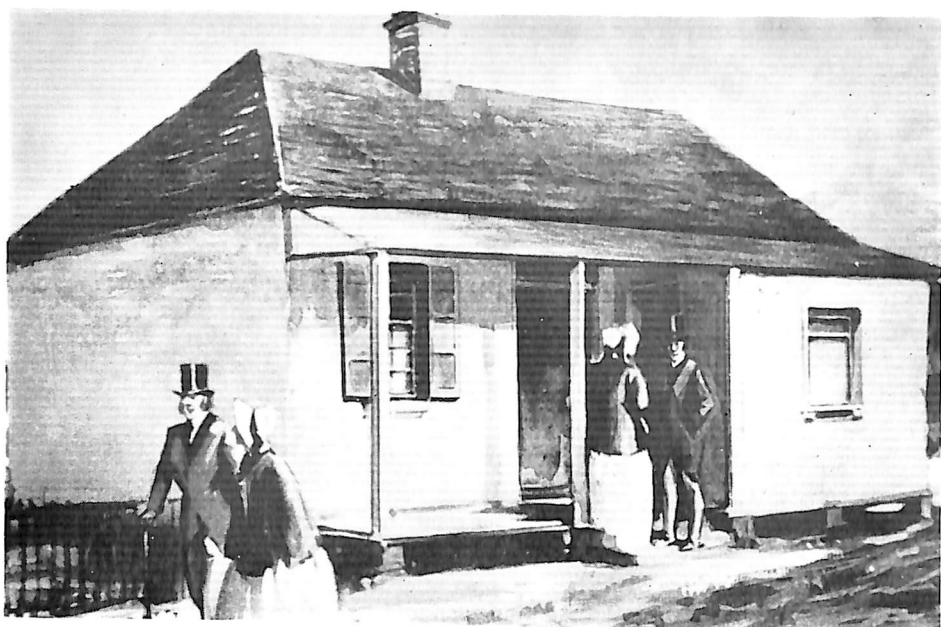
## The First Branch

The "new" bank was now free to expand geographically as well as financially and on November 14, a branch



Left—The premises occupied by the Bank in George Street, Sydney, from 1822 to 1853. Below—George Street, Sydney, in the 1850's showing (left) the Commercial Banking Company of Sydney Limited and the Bank of New South Wales, with two shops between—reproduced by courtesy of Grahame Sands, Esq.





Queensland's first bank—an artist's impression of the North Brisbane branch of the Bank of New South Wales in 1850. The Bank's present Brisbane Office occupies the same site.

was opened at Moreton Bay (Brisbane). Shortly after, the proprietors approved the establishment of a branch in Melbourne and after some delay in making the necessary arrangements, the office there commenced business on April 15, 1851.

The timing of this venture proved good, occurring shortly before the gold discoveries in Victoria and New South Wales. For the Bank, this point began a decade of rapid growth in branches, in business and in capital.

Although agency arrangements had been in force in London since 1847, the board decided that a branch was necessary and Donald Larnach, a young energetic director in Sydney, was appointed Manager, London, and opened the branch in July 1853. A number of ex-colonists were invited to become a London Board. Larnach became managing director in London in May 1854. In 1879, he resigned that post to become chairman of the London Board, a role that he filled until his death in 1896.

The first link with Western Australia was forged early in 1854 through an agency agreement with The Western Australian Bank.

By September 30, 1860, the Bank had twenty-seven branches and agencies; its paid-up capital was £750,000 and total deposits exceeded £3,000,000.

Early in 1861, while planning to open in New Zealand, the Bank completed negotiations to take over the premises and business there of the Oriental Banking Corporation. The Bank's first New Zealand branch was opened in Auckland on 11/6/1861 and it was quickly followed by branches at six other centres.

As in Victoria, the timing was good for within weeks a gold rush had started in Otago for which the Dunedin branch was suitably placed.

The Bank spread its direct representation into two more colonies when it opened branches at Adelaide in South Australia in 1877 and at Perth in Western Australia in 1883.

In 1865, the twenty-nine year old Shepherd Smith had been appointed

General Manager, a position he held until his death in 1886. For the Bank, Shepherd Smith's time was one of considerable expansion in conditions of economic growth. Deposits rose from £3.8m to £13.9m and the number of branches from 46 to over 170.

Two other features marked this period; intense competition in banking in the various colonies, and the Bank's management of the New South Wales Government account.

Although the Bank had been associated as banker to the N.S.W. Government from the early days, the government's business had become divided among a number of banks. For a number of years to 1875, however, the Bank was sole banker to the government of N.S.W. and from 1868 it was also the banking and financial agent in London.

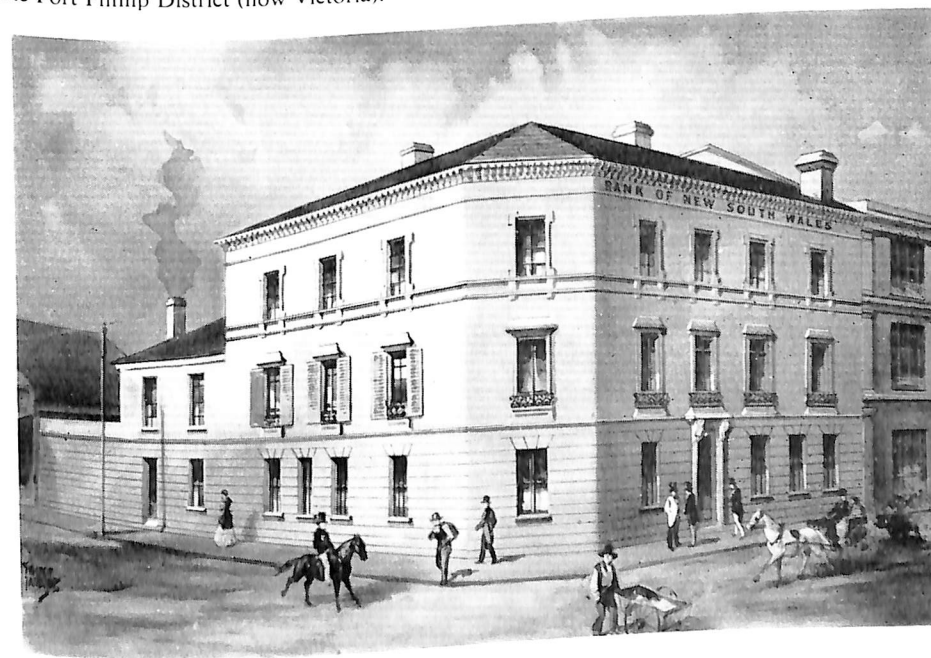
From 1875, the government again spread its local business and in 1882, it employed the Bank of England to inscribe N.S.W. loans in London. By

1884, the government was entrusting to the Bank of England all its London loan raising.

On January 5, 1885, the Treasurer informed the Bank that he had made arrangements with other banks to take over the accounts. The complete break lasted only until 1889 when the government restored some of its business to the Bank and the Bank became principal banker again after the financial crisis of 1893 and it still retains this responsibility. No bank escaped the effects of that crisis but the Bank was not as seriously affected as most others. It survived several minor panics and a severe run on its deposits on April 21 in Sydney when it paid out over £200,000 in notes and coin from Head Office alone. In less than a month, its cash reserves fell by over £500,000 and in 6 months it lost £1.4m. in deposits or 7%.

Fortunately, it had built up strong cash reserves and was never seriously threatened.

An artist's impression, based on an early drawing, of the Bank of New South Wales, Melbourne in 1851. Situated at the corner of Collins and Williams Streets, it was the first branch of the Bank in the Port Phillip District (now Victoria).



Anno Decimo Quarto  
Victoria Reginae  
No. \_\_\_\_\_

By His Excellency Sir Charles Augustus Fitz Roy, Knight Companion of the Order of the Bath, Captain-General and Governor-in-Chief of the Territory of New South Wales and its Dependencies, and Vice Admiral of the same, with the advice and consent of the Legislative Council.

Act to incorporate the Proprietors of a certain Banking Company called the "Bank of New South Wales," and for other purposes therein mentioned.

Whereas a certain Banking Company called the "Bank of New South Wales," has been lawfully established at various times in the Colony of New South Wales, under and subject to the same laws, regulations and provisions contained in a certain Statute in that behalf made, bearing date the 17th day of August in the year of our said Majesty Queen Victoria the eighth, and fifty, and inasmuch as the said Company has not since that time commenced business, and whereas by the said Statute it is enacted, that the said Company should, respectively and severally, execute and perform all such duties and conditions as are therein contained, and that the said Company should, in and to the Colony of New South Wales, under the name, style, and title of the "Bank of New South Wales," transact and carry on the business of a Bank of issue and deposit, and the lending of money on such terms, and in such manner, as may be determined by the said Company, and also, the dealing in money, bills, and the exchange of one note for another, and the receipt, issue, and circulation of bank notes, and the carrying on of any other business which may be lawfully carried on by a banking company, and that the said Company should, in and to the Colony of New South Wales, transact and carry on the business of a Bank of issue and deposit, and the lending of money on such terms, and in such manner, as may be determined by the said Company, and also, the dealing in money, bills, and the exchange of one note for another, and the receipt, issue, and circulation of bank notes, and the carrying on of any other business which may be lawfully carried on by a banking company, and that the said Company should, in and to the Colony of New South Wales, transact and carry on the business of a Bank of issue and deposit, and the lending of money on such terms, and in such manner, as may be determined by the said Company, and also, the dealing in money, bills, and the exchange of one note for another, and the receipt, issue, and circulation of bank notes, and the carrying on of any other business which may be lawfully carried on by a banking company.

Part of the preamble to the Act to incorporate the Bank of New South Wales (1850)  
—reproduced from the original, by permission of the Registrar General, Sydney.

It was one of three banks to defy a Victorian proclamation of a week's bank holiday and one of nine in Australia which never suspended payment.

Recovery from 1893 was slow for the economy and slow for the Bank, but by 1901, when the Commonwealth of Australia was created, the outlook was again promising. The Bank, cautiously consolidating, became more truly national — indeed virtually international in its representation.

In 1901, a branch was opened in Fiji, at Suva, a step that had been contemplated some twenty-five years earlier.

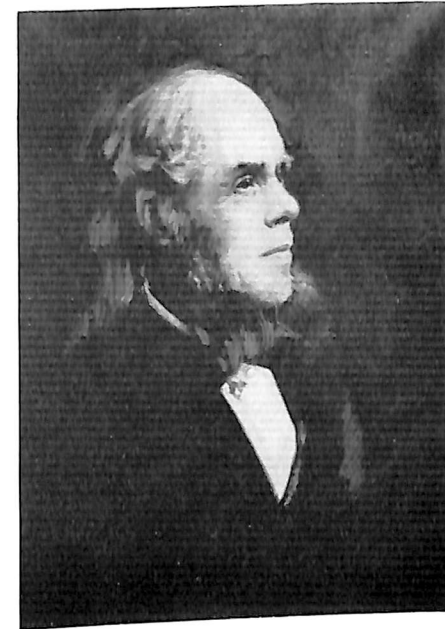
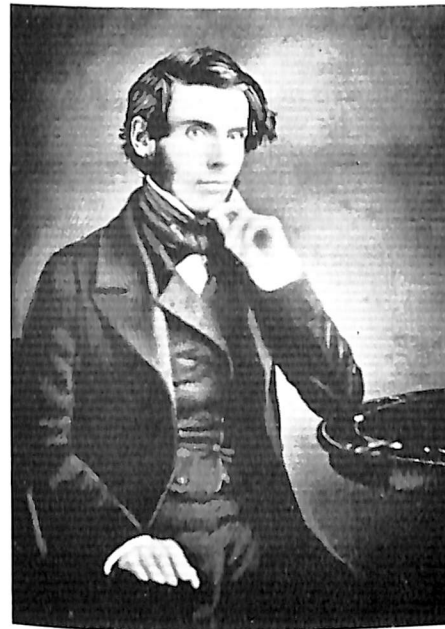
The year 1910 saw the first branch in Papua opened at Port Moresby and in 1911 and 1912 branches were established in Launceston and Hobart respectively.

At that time, branches and agencies were well in excess of three hundred and the Wales had direct representation in all Australian States and in New Zealand, Fiji, Papua, and London.

In 1911, the Wales, with the other banks, began withdrawing its own notes from circulation following the adoption of the Federal Treasury of the responsibility of issuing Commonwealth notes. The Bank's right to issue notes in New Zealand, however, lasted until 1934.

During the years of World War I and for some time after, the Bank proceeded unspectacularly, but it made a substantial contribution to the war effort both financially and through the war service of a large proportion of its staff. Almost eight hundred men enlisted out of a total staff of less than one thousand nine hundred.

The 1920's was a period of bank amalgamations strengthening the existing financial structure for the economic growth which lay ahead. In 1927, the Wales took over the Western Australian Bank. The latter, founded in 1841, had found demands too heavy for the slender resources available in a State short of capital.



Above, left— J. Hunter Baillie, Secretary of the Bank 1850-1854. Right— Alexander Stuart, Secretary and Inspector 1854 (later Sir Alexander Stuart, K.C.M.G., Prime Minister of New South Wales).

A second amalgamation occurred four years later in 1931 when the Wales absorbed The Australian Bank of Commerce Ltd. That Bank had been formed in 1910 to take over the assets of the old Australian Joint Stock Bank (founded in 1853) which had never fully recovered from the crisis of 1893 and itself had absorbed in 1918 the City Bank of Sydney (founded 1863).

This amalgamation took place when severe depression, following the boom of the 'twenties encouraged the focusing of attention on national economic policies and central banking.

The then General Manager of the Wales, Alfred Charles Davidson (later Sir Alfred Davidson, K.B.E.) boldly took the initiative in January 1931 in raising the exchange rate on London to £A130 = £Stg.100 in order to overhaul the outside market for foreign exchange.

Davidson's action was a landmark in asserting the authority of the banking system in the foreign exchange market

and a dramatic step towards freeing exporters from an over-valued currency and in assisting the process of recovery.

Davidson did not act alone in the same way in New Zealand but the pressure of the Bank for a similar step greatly influenced the eventual decision, against much opposition, of New Zealand to devalue its currency to £NZ125 = £Stg100.

In addition to co-operating with governments to restore public finances and to stimulate the recovery of business activity, the Bank helped to sustain primary producers with carry-on assistance and pioneered bank finance for co-operative building societies.

Davidson encouraged and expanded the Bank's foreign banking relationships, sponsored economic research, stimulated discussion of current topics over a wide area of public opinion in both Australia and New Zealand, and disseminated information designed to improve the use of natural resources.

The mid-thirties saw the resumption of Bank growth and in a report to proprietors as at September 30, 1938 the then President was able to point to the fact that total deposits exceeded £100m for the first time and that the number of branches and agencies was 898.

From the outbreak of World War II in 1939, the story of the Bank is closely allied to the story of Australian banking policy and independence of action for any bank became severely circumscribed by controls exercised by central government through a central bank.

In wartime, all banks were virtually a part of administration of the war economy. Again, the Wales staff gave distinguished service and three thousand three hundred and thirty one men served in the armed forces, almost 65% of the male staff. Two hundred and eighty four of them died on active service.

Sir Alfred Davidson retired in 1945 and his successor, T. B. Heffer, faced not only the problems of post-war rehabilitation of staff and business but a long struggle for the survival of free enterprise banking in the face of a strong nationalization threat.

In resisting this political threat the Bank joined with other banks on both legal and sociological fronts. The staff of the Wales, also in conjunction with their counterparts in other banks, voluntarily entered the field of public persuasion in organized fashion and their selfless activities had a most significant influence on the 1949 Federal election which resulted in the direct political threat being scotched.

However, the banks were still hindered by official controls and found it impossible to adapt and extend their services to match the financial needs of Australia and New Zealand. Not for the first time, the Bank faced vigorous competition from other financial institutions but on this occasion they were handicapped in fighting back.

Nevertheless, ways were found for diversifying and developing new business. For example, in 1957, a 40 per cent interest in Australian Guarantee Corporation Ltd. was acquired and during H. C. C. Marshall's term of office as general manager in 1955 the Bank of New South Wales Savings Bank Limited was registered and commenced operations in January 1956 in most areas where the parent Bank had been operating.

The Savings Bank subsequently extended to all states of Australia and finally to New Zealand in October, 1964.

H. C. C. Marshall retired after eight years as General Manager and was succeeded by R. J. Abercrombie in November 1962. On retirement the latter joined the Board of the Bank, being succeeded on August 1, 1964 by R. W. Norman, the present General Manager.

During the eleven years of its existence, the Savings Bank has made remarkable progress and now has over 2,000,000 operative accounts with funds well in excess of \$750,000,000.

Diversification was not limited to savings banking and an investment in a finance company. The Wales has developed its own division providing a wide range of investment and investment management facilities through fully-owned subsidiaries and it also offers superannuation schemes for the general public.

In 1965, it became the first Australian commercial bank to process ledger accounts by computer.

The Bank today is owned by some 26,000 proprietors. Many of these are of a corporate nature however and the true spread of ownership is thus very much greater even than is indicated by the figures of shareholdings.

The Bank begins its second 150 year period with a combined salaried and

wages staff of over 16,500 and more than 1,200 offices.

Savings and trading accounts together number about 3,000,000.

The Bank is wholly controlled by an Australian Board of Directors. Its ownership is and always has been predominantly Australian with New Zealanders also having a substantial proprietary interest. Less than 16% of the shares are held by non-residents of Australia or New Zealand.

The trading bank is by far the largest in the South-West Pacific — a distinction which has come only from public support voluntarily given in an atmosphere of intense competition.

The Bank neither enjoys nor seeks privileges over its rivals, desiring only the right to meet them on equal terms; to provide the people of the areas in which it operates with such banking and other services as are sought and desirable and, in the process, to make a reasonable profit.

Always, through its long history, the Wales has been concerned for people, individually and corporately, and irrespective of what developments the future may bring through electronics, computers, and what-have-you, banking must always remain essentially an intensely personal business. Always the objective of a banker must be to help provide those facilities by means of which his fellows can attain their worthwhile objectives and the nation can progress in freedom and prosperity.

As the Wales begins its 151st year of service it is perhaps appropriate to recall the inscription which appeared on the Bank's early notes and which are surely as relevant today as then:

Let us possess the public confidence so long only as, by a faithful discharge of the honorable trust reposed in us, we may shew ourselves worthy of it. Whenever any one man can say with truth "the Bank has broken faith", be then OUR ruin, and ours only, the immediate consequences.

Below, left—Robert Woodhouse, Secretary 1855-57, Secretary and Inspector 1857-1862 and first General Manager (1862-1864); right—Shepherd Smith, General Manager 1865-1886.



## DIRECTORS

As at 8/4/1817

John Thomas Campbell (*President*)  
D'Arcy Wentworth  
John Harris  
Robert Jenkins  
Thomas Wylde  
William Redfern  
William Gore

As at 8/4/1967

John Cadwallader (*President*)  
The Hon. Sir Robert Christian Wilson,  
C.M.G.  
Dudley Beresford Lewington  
Septimus Godolphin Rowe, D.S.O.  
Vincent Charles Fairfax, C.M.G.  
John Wallace Dunlop  
Thomas John Noel Foley, C.B.E.  
Robert James Abercrombie, C.M.G.

## CHIEF EXECUTIVES

8/4/1817

Edward Smith Hall  
(Secretary and Cashier)

8/4/1967

Robert Wentworth Norman  
(General Manager)

## CHIEF OFFICERS 1817-1862

1817-1818 Edward Smith Hall, Secretary and Cashier  
1818-1820 Francis Williams, Secretary and Cashier  
1820-1823 Nicholas Bayly, Secretary and Cashier  
1823-1828 Alexander Kenneth Mackenzie, Secretary and Cashier  
1829-1850 John Henry Black, Secretary and Cashier  
1850-1854 John Hunter Baillie, Secretary  
John Henry Black, Cashier  
1854 Alexander Stuart, Secretary and Inspector  
1855-1857 Robert Woodhouse, Secretary  
1857-1862 Robert Woodhouse, Secretary and Inspector

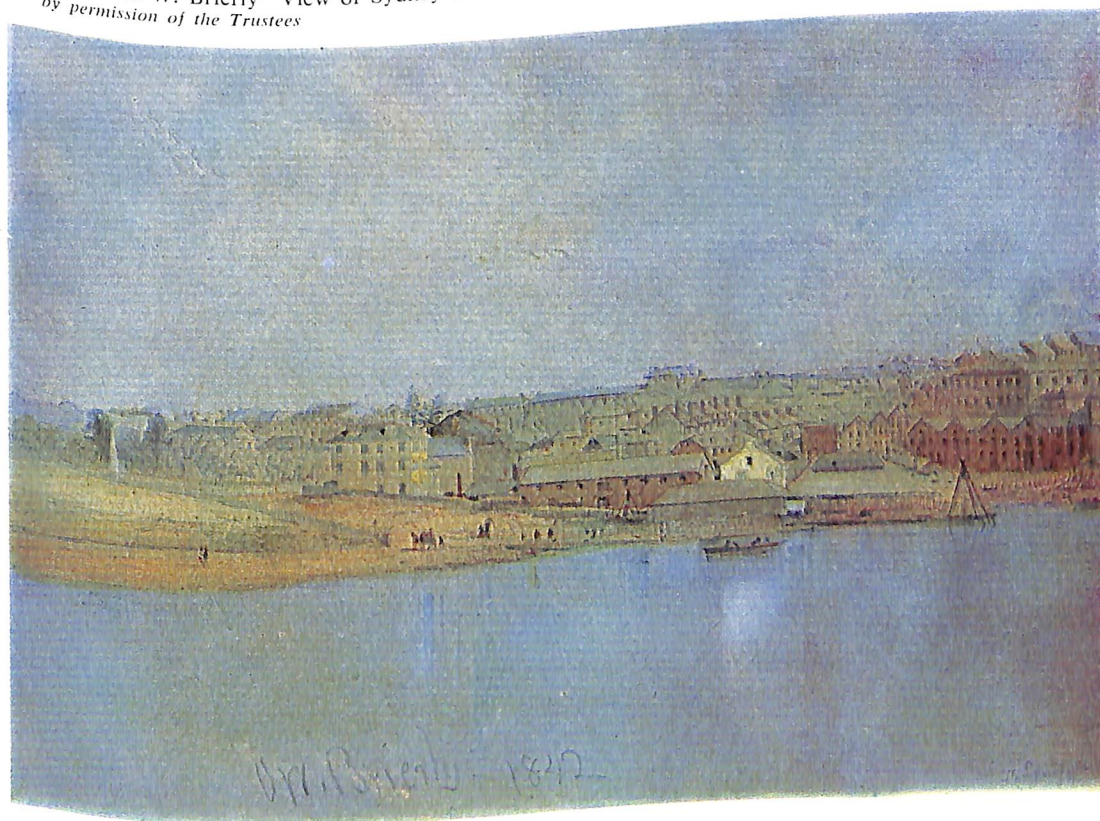
## GENERAL MANAGERS

1862-1864 Robert Woodhouse  
1865-1886 Shepherd Smith  
1886-1894 George Miller  
1894-1921 Sir John Russell French, K.B.E.  
1921-1928 Oscar Lines  
1929-1945 Sir Alfred Charles Davidson, K.B.E.  
1945-1950 Thomas Baker Heffer  
1950-1954 Sydney John Gandon  
1954-1962 Harold Cecil Charles Marshall, C.B.E.  
1962-1964 Robert James Abercrombie, C.M.G.  
1964- Robert Wentworth Norman



Above: "Sydney from the North Shore", probably by J. Lycett, c. 1817 —  
from the original in the Mitchell Library, Sydney, by permission of the Trustees

Below: O. W. Brierly "View of Sydney", 1842 — from the original in the Mitchell Library, Sydney,  
by permission of the Trustees





Some historic objects from the archives of the Bank of New South Wales.

In the foreground is the Bank's first ledger, dating from 1817 and recording the transactions of men, many of whose names — as befits the names of our pioneers — have been perpetuated in Sydney's streets and suburbs — Harris, Redfern, Wollstonecraft, Piper, and others. The ledger is open at the names of George Williams and D'Arcy Wentworth. Williams had worked for the Government Printer at the Cape of Good Hope and, after coming to Sydney, was employed as a compositor on *The Sydney Gazette*, Australia's first

newspaper. D'Arcy Wentworth was a member of the first Board of Directors of the Bank, and father of statesman-explorer William Charles Wentworth.

The ledger and the bank notes lying on it are reminders of the Bank's earliest days. To a somewhat later period belong the gold scales, which recall the turbulent, expanding era which followed the discovery of gold in 1851, when the Bank's officers often worked in tents and slab huts and lived a life almost as rough and hard as that of the diggers themselves; when, riding around claims to buy gold on the spot, they sometimes risked their lives against floods, bushrangers and other hazards.