

compared with \$22,588,994 for 1892, an increase of \$789,351, which, however, is very satisfactory in view of the larger number of policies on the books. Regarded from the point of view of aggregate results, the general statement is an encouraging one.

As might have been expected, the fire companies' returns do not tell such a flattering tale. The net total premiums amounted to \$6,783,613, or only \$270,686 more than in 1892, whilst the losses incurred, \$5,113,905, show an increase of \$632,667, resulting in a loss ratio of 75.39 per cent. as compared with 66.22 per cent. for the previous year, for which the British companies were mainly responsible. Canadian companies received \$1,141,854 in premiums, British companies \$4,610,737, and American \$1,030,422, and incurred losses of \$825,684 or 72.31 per cent., \$3,569,232 or 77.41 per cent., and \$718,989 or 69.78 per cent. respectively. It is to be hoped that the next annual statement will show more cheerful results for fire underwriters, of which there is some prospect, judging from the more favorable experience on the continent so far this year.

THE BANK OF MONTREAL STATEMENT.

The results of the business of this bank for 1893 show how exceedingly cautious and conservative has been the management during that most anxious and, to bankers, most critical year. The position of the Bank of Montreal is one not as favorable to making profits when panic is in the financial air, as is that of those institutions which are less representative of the national financial condition, and less responsible for it. It has been noticed all through 1893 that this great bank was under severe restraint, hence it is no surprise that its net profits were \$12,521 less than in 1892, indeed, the smallness of the decline is rather a more just cause of surprise. The net profits of the year were 10.94 per cent. on the paid-up capital, the average of the preceding six years having been 10.60 per cent.; if the disastrous year 1891 is left out, the other five years' profits averaged 11.15, or only \$25,000 per annum in excess of those of 1893, which is surely a striking proof of the sound judgment, skill and wisdom which enabled the bank to pull through such a year as 1893 with such a trifling sign of the financial storm which raged through so protracted a period last year. The sum of \$113,289 was left after providing a 10 per cent. dividend, the balance to credit of profit and loss being now \$804,715, which serves as a breakwater to guard the reserve fund of 6 millions. We shall be very much gratified if the other banks show as satisfactory results of last year's business as the Bank of Montreal.

THE DOMINION BANK STATEMENT.

The annual statement of the above bank shows a net profit to have been made of 14.29 per cent. on paid-up capital. Considering the circumstances of 1893, this is a remarkable result. But the explanation is found in the exceptional earning powers of the Dominion Bank, in having so small a capital to pay dividends upon, compared to the resources it controls. In the first place,

the bank has a reserve fund equal to the capital, which of itself is able to provide a good percentage of dividend. Indeed, if the capital, the reserve fund, and the average circulation are put together, making \$4,000,000, the net profits are equal to 5.38 per cent. on this amount; or, put in another way, if the reserve and circulation netted 4 per cent., they would have earned nearly 47 per cent. of the total net profits. But the deposits of this bank are exceptionally large, being \$9,676,468, equal to close upon six and a half millions for each million of capital. So that, if we allow the capital, reserve and circulation to have netted 3 per cent., and the deposits to have yielded only 1 per cent. profit, we have a sum of \$216,000, which is a trifle in excess of the actual result. The year's dividend was declared 10 per cent., with a one per cent. bonus. General Manager Bethune, and the venerable President, Mr. Austin, may justly feel very great pride in the position to which their skill has raised the Dominion Bank.

LONDON & LANCASHIRE LIFE ASSURANCE CO.

The thirty-first annual report of the above Company which is presented on another page, shows that however much other British life offices may have felt the effects of the general depression in the mother country, the London and Lancashire experienced a prosperous year in 1893. Indeed, apart from the small diminution in the new business secured, there is nothing in the published statement to indicate that the twelve months covered were other than a favorable period for life assurance institutions. The following comparison with 1892 shows the progress made in the principal items:—

	1892.	1893.	Increase (+) or Decrease (—)
	\$	\$	\$.
Premiums (net).....	\$77,470	\$98,074	+ 20,604
Interest, etc	176,265	183,473	+ 7,208
Total income.....	1,053,735	1,081,547	+ 27,812
Payments to policyholders...	471,605	444,056	— 27,549
Expenses.....	268,400	299,011	+ 30,611
Total outgo.....	750,005	753,067	+ 3,062
Excess of income over outgo.	303,730	328,480	+ 24,750
Added to investment reserve.	12,290	40,000	+ 27,710
Net funds.....	4,200,480	4,488,964	+ 288,484
Total assets.....	4,291,045	4,612,679	+ 321,634

It will be noted that satisfactory improvement has been made in nearly every important direction. While the total income amounted to \$1,081,547, an increase of \$27,812 over that of the previous year, the total outgo was \$753,067, or only \$3,062 over 1892, notwithstanding the disbursement of \$20,132 of cash bonuses as the result of the recent distribution of profits. A balance of \$328,480 was thus saved out of the revenue, being \$24,750 in excess of the corresponding amount for the preceding twelve months. Out of that sum the Directors decided to set apart \$40,000 as an addition to the investment reserve by way of a precautionary measure in view of the state of the property market. It will be remembered that last year the Company strengthened its resources by raising its reserves to a 3½ per cent. interest basis, and that in conjunction with the present step cannot fail to confirm the confidence of the shareholders and the public in its