

ACME LOAN ABSORPTION.

Another absorption has been accomplished—the taking over of the Acme Loan and Savings Company, of Toronto, by the Standard Loan Company, of the same city. The terms of the sale have been ratified by the shareholders of the former Company. By the agreement, the Standard assumes all liabilities of the Acme Company. As a result of the amalgamation the assets of the Standard Loan Company are now \$2,500,000, with a paid-up capital of over \$1,000,000. Of the 4,500 shares represented by 500 shareholders in the old company, there were only two votes registered against the sale of the assets, which amounted to \$370,000. The Acme Company was not insolvent, but the directors felt that it was better to amalgamate with a larger company. Shareholders in the latter concern are to receive a hundred cents on the dollar.

BRITISH MORTGAGE LOAN COMPANY.

This well-known leading company has reached its thirtieth year, and it is pleasant to find again in the story of the meeting names which have been familiar for a long time in connection with its successful management. Another agreeable feature is mentioned in the president's address, that in 1907, for the first time in the company's experience, more applications for loans came in than it was able to meet. No losses are recorded for the year; and the mortgage ledger is "remarkably free from arrears."

The company is still content to confine its operations to south-western Ontario, and mainly to the prosperous county of Perth. Its earnings for the year justified payment of the usual dividend, and the addition of \$10,000 to the reserve, making that fund \$200,000 on a subscribed capital of \$450,000. The rate paid on deposits has been increased from 3 per cent. to 3½ per cent., inasmuch as higher lending rates prevailed during most of the year. The company has shown no disposition to "splurge" in speculative directions, but has made haste slowly, along conservative lines.

DOMINION BANK.

The result of last year's business of the Dominion Bank has been already commented on in these columns, and the directors' report of prominent features in its management is now made public. The policy has been, in view of the unsettled monetary conditions in the United States, to restrict advances without interfering with proper requirements of customers, to assist in marketing the products of the country—at the same time maintaining strong cash reserves.

Of the million dollars new capital stock offered to shareholders in 1907, all but a trifling amount has been taken up, and \$448,000 is paid up. The new branches of the bank opened during 1907 completes a chain of offices at all important centres from Montreal through Ontario and the capitals of prairie provinces to Vancouver on the Pacific Coast. And the results so far are encouraging.

The bank's paid capital is now \$3,848,800; its circulation \$2,913,000, indicating an active business. The reserve fund is \$4,833,000—almost a million more than the capital. Current discounts amount to \$31,447,000 out of total assets, exceeding \$48,497,000. And the easily available assets amount to 40 per cent. of the total liabilities to the public. The exhibit made is creditable to the bank as one of our enterprising, strong, and carefully conducted financial institutions.

TRADERS BANK OF CANADA.

The current of financial affairs during the year just closed, the monetary stringency with its consequent unrest and relaxation of business enterprise which the president's speech refers to, while not preventing the Traders Bank from earning good returns somewhat altered the character of its figures. Savings bank deposits increased \$1,700,000 in the year, but current accounts of non-interest bearing balances were reduced while liquid assets were increased. The statement submitted could not well be other than gratifying to the shareholders.

The bank premises owned at the principal centres, especially in Toronto—there are seventeen of them in all, and the bank has some seventy branches—may be considered a favorable feature of the assets, the two largest in Toronto being especially revenue-producing. This item, including the fittings and furnishings of the branch offices, appear in the statement at \$1,896,000. Details of the changes in management of the bank have already been placed before our readers. The number of the Board of Direction has been increased to seven, in order to retain the services as director of Mr. H. S. Strathy, the retiring general manager.

CANADIAN BANKING PRACTICE.

By H. M. P. Eckardt.

XL.

Statements to Head Office.

Statements required from the branches in connection with the accounts with branches may be made out by any officer whom the accountant happens to designate. In their preparation, faithfulness in transcribing the items, neatness and clearness in writing and figuring are the qualities chiefly required.

Loans and discounts are another fruitful source of statements. Some of them have already been described.

One, not previously mentioned, is the regular week-to-week report of paper discounted. This is to inform head office of the details, and is practically a running copy of the discount register, the totals being carried forward from week to week to prevent anyone at the branches from tampering with past records. Then there is the diary balance. To effect this the amounts of discounted bills in the diary are totalled, by days, and the whole added together. The sum agrees, of course, with the general ledger balances. The object of this is to test the accuracy of the diary; also to show the extent of the maturities at near and distant dates.

The past due bills are to be reported on occasions more or less frequent. Head office wants to know the status of these debts from time to time. Changes in the circumstances of the debtors and other items affecting the prospects of recovery are to be given. In connection with the collaterals, a collateral diary balance, on the same principle as the discount diary balance, is usually required, as is also an occasional statement of the balances of collateral notes held on account of each collateral borrower.

In the case of accounts with correspondent banks, a weekly statement of the items passed through may be required. The premises, and office furniture and safe are described and valued only on special occasions, such as at the end of the bank's fiscal year and on inspections.

Profit and Loss Details.

Head office demands explicit details of all the profit and loss accounts—charges, interest paid, discount and interest received, commissions, etc. From the statements supplied by the branch, practically all the receipts can be checked up in the head office; also all the disbursements. The discount sheets, which contain the copy of the discount register, show the rate and the amount of interest collected against every bill discounted. The totals of the columns show the amounts credited to discount or interest received. Other statements show how the amounts charged to interest paid are made up—the deposits or accounts which received the interest are specified, with the interest allowed on each. Vouchers for the charges account items must accompany the statements, and a sharp lookout is kept to see that the items of expenses are properly authorized.

Once a month, on balancing his current accounts ledger, the ledger-keeper must send down a statement or list of the balances making up the total contained in the ledger. A list of the savings bank balances is also called for at fixed periods, and of the deposit receipts outstanding.

Accountant Verifies the Balances.

As the statements are made up they are handed to the accountant, who verifies the balances shown in them with his general ledger balances; examines them sufficiently to satisfy himself that they are properly and correctly made up, and affixes his initials to make them official. Many banks have four general balance days a month, on probably the 8th, 15th, 23rd and last day. On these days, there are always a large number of statements to be sent out.

(Further Banking News on page 1269.)