

# The Chronicle

## Banking, Insurance and Finance

ESTABLISHED JANUARY, 1881

PUBLISHED EVERY FRIDAY

Vol. XXXIX. No. 23.

MONTREAL, JUNE 7, 1918

Single Copy 10c.  
Annual Subscription \$3.00

### THE IMPERIAL BANK'S REPORT.

With its report for the year ended April 30th last, the Imperial Bank joins the select group of Canadian banking institutions having assets in excess of \$100,000,000. The passing of so outstanding a milestone in the Bank's history is necessarily a matter for congratulation. To Mr. E. Hay, the Bank's able general manager, the event must be particularly gratifying, since he, with Mr. Peleg Howland, the president, has been associated with the Imperial Bank since its establishment, forty-three years ago, these two gentlemen in fact being the sole survivors of the Bank's original staff. A substantial proportion of the Bank's progress towards the \$100,000,000 mark has been made during Mr. Hay's tenure of office as general manager, and his recent election to the directorate fittingly rounds out an exceedingly active career of distinguished banking service.

It has been noted in connection with several recent bank reports that profits do not keep pace with the growth in resources of the Canadian institutions. With the pronounced rise in the rate of interest, securities have had to be written down. In numerous directions, the expenses of the banks have been substantially increased during recent years, a process which is still going on, while enlarged taxation, municipal and provincial as well as war taxation, has also played its part. The assets of the Imperial Bank were increased last year by over \$11,000,000, but its profits show only the very moderate advance of \$62,000, from \$1,122,819 in 1917 to \$1,185,067 in 1918. The latter figure is equivalent to 7.8 per cent on the total of shareholders' funds, comprising paid-up capital, rest and balance of profit and loss account at the beginning of the fiscal year. Of last year's profits, \$840,000 is distributed in the 12 per cent dividend; \$200,000 is applied as a contingent appropriation to cover depreciation in bonds and debentures; \$70,000 goes in war tax on bank note circulation; \$27,500 as contributions to patriotic and other war funds and \$7,500, in the annual contribution to officers' pension, and guarantee funds. These allocations having been met, a balance of profit and loss is carried forward of \$1,294,943, an increase of \$130,000 over the carry-forward of a year ago.

For many years past, the Imperial Bank has been accustomed to show a very fine liquid position in its annual balance sheet and the Bank's reputation in this connection is worthily maintained by the present report. Circulation again exhibits notable increase, having been enlarged during the twelve-month by \$2,250,000 to \$9,908,544, following a rise of \$1,700,

000 in the preceding year. Non-interest bearing deposits are over \$5,000,000 larger at \$19,916,369, compared with \$14,845,206 a year ago, while interest bearing deposits have increased by well over \$4,000,000 from \$51,354,075 to \$55,478,284. Total liabilities to the public are over \$11,000,000 higher at \$86,402,966 compared with \$75,343,252 in 1917. On the assets side of the accounts, holdings of specie and legals have been enlarged by \$1,500,000 from \$11,507,575 to \$13,026,771 and the deposits in the Central Gold Reserve is reported as \$3,500,000 against \$1,000,000 a year ago. Bank balances abroad have been substantially enlarged from \$3,936,979 to \$7,132,346. As a result of these movements, the very fine proportion of fully 33 per cent cash assets to liabilities to the public is reported, compared with 29.5 per cent a year ago.

Security holdings, which reflect especially the Bank's direct assistance in war financing are again largely increased. Their present total of \$19,943,073 compares with \$14,866,893 a year ago, a growth well in excess of \$5,000,000, following a similar increase in the year 1916-17. The present enlargement of security holdings is wholly accounted for by developments under the heading of Canadian municipal, British, etc., securities, holdings under the other headings of Dominion and Provincial government securities and railway and other bonds, debentures and stocks having been reduced. Canadian call loans are \$1,400,000 lower than a year ago at \$2,470,097 against \$3,900,248. The total Canadian current loans and discounts now reported \$46,486,972 is somewhat larger than last year's total which was \$45,732,099. This increase, however, is wholly accounted for by rises in loans to provincial governments and to municipalities, which are included in this total. Municipal loans show an increase of well over a million at \$5,684,013 compared with \$4,510,793 a year ago. Commercial loans and discounts are actually \$900,000 lower at \$40,302,958 against \$41,192,421. The statement thus reflects both the increasing financial ease of the country's commerce and industries as a result of active demand and high prices, and the necessity which has been imposed upon the banks generally, of carrying needy municipalities through a period when they have been unable to negotiate any permanent financing.

While the increase of fully \$11,000,000 already referred to brings the Bank's assets up to \$101,817,909, the total quick assets have been enlarged by over \$16,000,000 to \$57,119,681, and are in the very fine proportion to liabilities to the public of 66.1 per

(Continued on page 587)