

# The Chronicle

## Banking, Insurance and Finance

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### LLOYDS BANK'S PROGRESS.

The year 1917 has been a favourable one for British bankers. They have been able to use to the full all their funds throughout the year, and the funds available have been much larger in 1917 than they were in 1916, and very greatly in excess of those available in 1913, before the outbreak of war. Indeed, it seems probable that the available resources in 1917 have been not far short of double what they were in 1913. While the year has been favourable from the point of view of gross profits, bankers have naturally had to face considerably increased expenses, especially in wages, war bonuses and stationery. But a very important set-off has occurred in the absence of the necessity of writing-off heavy sums to meet depreciation in the value of investments—a necessity which has taken such large sums from profits for many years past.

Striking a net balance, however, profits have shown a very satisfactory expansion for 1917. This is the case with Lloyds Bank, the profits for the past twelve months amounting to \$7,315,630 as compared with \$6,418,990 for the previous year. The dividend is maintained at the rate of 18½ per cent. — the rate which has been distributed each year since 1910—and of the balance \$2,000,000 is added to the reserve fund, bringing it up to \$20,000,000 (the paid-up capital is slightly over \$25,000,000); while \$500,000 is written off bank premises account, and \$500,000 is set aside for payment of a staff bonus during the current year. There then remains a balance to be carried forward of \$1,447,320 as against \$536,025 brought in. Twelve months ago it was necessary to appropriate \$2,600,000 for investment depreciation: this year, as already pointed out, no such provision is called for.

Since 1913 the deposits of the Bank have risen, in round figures, from \$455,000,000 to \$870,000,000, while the total working resources have risen from \$495,000,000 to \$920,000,000. This increase of \$425,000,000 in resources have been used in increasing the cash holding from \$80,000,000 to \$175,000,000, a rise of \$95,000,000; the investments from \$50,000,000 to \$185,000,000, a rise of \$135,000,000; bills of exchange from \$50,000,000 to \$195,000,000, a rise of \$145,000,000; and advances from \$250,000,000 to \$305,000,000, a rise of \$55,000,000.

On December 31st, 1917, the proportions of the assets to the deposits were: cash 20 per cent., call money 4 per cent., investments 22 per cent., bills of exchange 23 p.c., and advances 35 p.c.

Lloyds Bank has now offices in 45 out of the 52 counties in England and Wales, and thus it is interested in practically every British industry. It may justly be denominated the pioneer of the policy of bank amalgamations, and during the 53 years that it has been in existence no fewer than 47 business have been absorbed. Recent important steps have been the formation in 1911 of a French auxiliary—Lloyds Bank (France), Ltd., now enlarged to Lloyds Bank (France) and National Provincial Bank (France), Ltd., with offices in the leading French centres, and the formation of the British-Italian Corporation in conjunction with the London County and Westminster Bank and the Credito Italiano in 1916. Lloyds Bank has a particularly close connection with Canada as London agents of the Imperial Bank, and doubtless Canadian connections will be extended as opportunity offers.

### BANK STAFFS AND THE WAR.

It is understood that the Canadian banks have under consideration the question of making banking hours 9.30 to 2.30 from 1st June next, instead of 10 to 3 as at present, the proposed change being based on the banks' shortage of manpower and the necessity of doing something to facilitate the clearing up of the day's routine. The matter of steps looking towards a reduction in the volume of cheques permitted to be issued against savings accounts is also under consideration.

An official statement issued by the Canadian Bankers' Association says that out of 17,674 male members of all ages of bank staffs in Canada at the beginning of the war, 7,741 enlisted up to January 15, 1918. Since that date, due to the operation of the Military Service Act, a number have joined the colors bringing the total enlistments from bank staffs to date to over 8,000. The recent decision of the Central Appeal Judge in regard to bank staffs calls to the colors from the staffs of banks over 2,000 additional men. Probably no other single profession in Canada has contributed proportionately so largely to the ranks of the Canadian Army as have the bankers. The record made in this respect is undoubtedly a very fine one.

### BANK DEPOSITS AGAIN INCREASING.

Public deposits reported by the banks in their February statement show very satisfactory gains over the January in-point, brought about through the heavy payments for the Victory Loan during that month. Notice deposits at the end of February are reported as \$908,822,988, a gain for the month of \$8,508,732. This figure compares with \$880,456,677, in February 1917. February demand deposits are reported as \$569,266,642, an increase for the month of \$9,489,405. Their total in February, 1917, was \$430,331,801.

Call loans in Canada show a variation of under \$500,000 from the January figures—\$76,722,163 compared with \$76,239,201. Call loans abroad show a marked growth of \$27,552,428 to \$160,239,494, indicating that the banks have again begun to build up their external reserves. Current loans and discounts in Canada at \$859,363,147 compare with \$855,506,506 in the preceding month, and \$813,302,717 in February, 1917.

The Chronicle's full analysis of the statement will appear in next week's issue.