

Two Important Bank Mergers Completed

BANK OF MONTREAL ACQUIRES BANK OF B. N. A.

Shortly after the announcement of the absorption of the Northern Crown Bank by the Royal Bank the startling announcement was made that the Bank of Montreal had completed arrangements to take over the Bank of British North America. This is the largest merger of chartered banks in Canada and places the Bank of Montreal a long way in front of its competitors in the Canadian banking field with combined assets totalling over \$468,000,000. In the line of seniority the Bank of British North America is the third oldest chartered bank in Canada, having been established in 1836 and incorporated by Royal Charter in 1840. The Bank of Montreal is the oldest bank in Canada being established in 1817, with the Bank of Nova Scotia established in 1832 in second place.

The Bank of British North America was in a disadvantageous position in that it had its head office in London, England, while operating in Canada. In handling the business of the Bank with the necessity to refer a great many of the important problems to London, much time was lost which gave the younger and more aggressive banks greater opportunity in the competition for business.

The two banks compete in 29 towns and cities of Canada being mostly in the large and more important centres of trade. In most cases where they compete the branches of the Bank of British North America will be maintained as branches of the Bank of Montreal except where the branches are so near together in locality that no inconvenience would be occasioned to the customers of either Bank. The Bank of Montreal has 182 branches and the Bank of British North America has 91. The Bank of Montreal will have something over 260 branches, making provision for unnecessary duplication and will be enabled to serve both its own and the Bank of British North America clients at a greatly increased number of points. As in the Royal Bank-Northern Crown merger the Bank of Montreal will take over the entire staff of the Bank of British North America, thus helping out both institutions in the way of staff which has been seriously depleted by reason of war demands. The Bank of Montreal is the leading bank not only in resources and financial strength but also in the matter of rendering financial assistance to the Dominion Government. With its greatly increased resources on the taking over of the Bank of British North America its future services in the way of government finance become greatly enhanced. In view of the financial situation in Canada and the heavy inroads that must be made upon the financial resources of the Dominion perhaps this aspect of the situation has had some weight in the giving of assent to the merger by the Government of Canada.

The position of the Bank of Montreal in British Columbia will not involve much change. The older established branches of the Banks in both Vancouver and Victoria will be maintained as at present with the branches of the Bank of British North America, acting as branches of the Bank of Montreal. By a curious twist the Bank of British North America in the province of British Columbia although known as one of the most conservative institutions has launched out into newer fields to an extent beyond that of any other bank in the Province. Not only now will the Bank of Montreal be represented in the Yukon but also in the frontier posts of Lillooet, 150-Mile House and Prince George which were for a long time operated by the Bank of British North America.

The taking over of the Bank of British North America may also be the beginning on the part of the Bank of Montreal of a more aggressive policy which has long since

been adopted by the younger banks which have made such advance with the growth of the Dominion in the past decade. The principle items of the two banks taken from the January Bank statement are as follows:

ASSETS

Jan. 31st, 1918	Bk. Montr.	Bk. B.N.A.	Combined
Current Gold	\$ 20,668,406	\$ 1,271,821	\$ 21,940,227
Dominion Notes	57,253,492	7,052,850	64,306,342
Cent. Gold Res.	11,500,000	1,970,000	13,470,000
Securities	63,772,570	12,591,370	76,363,940
Call loans Can.	-----	2,694,397	2,694,397
Call loans Abroad	77,623,002	4,827,050	82,450,052
Current loans Can.	99,789,670	26,958,552	126,748,222
Current loans abroad	9,928,328	6,481,658	16,409,986
Municipal loans	12,794,314	2,078,045	14,872,359
Premises	4,000,000	2,409,292	6,409,292
Total Assets	\$392,625,438	\$75,418,448	\$468,043,886

LIABILITIES

Capital	\$ 16,000,000	\$ 4,866,666	\$ 20,866,666
Reserve	16,000,000	3,017,333	19,017,333
Note Circulation	26,447,706	5,312,540	31,760,246
All Deposits in Can.	251,810,010	45,625,405	297,435,415
Deposits abroad	55,642,764	4,785,506	60,428,270
Total Liabilities	\$356,954,618	\$65,409,933	\$422,364,551

ROYAL BANK ABSORBS NORTHERN CROWN

Arrangements have been completed and the Dominion Finance Minister, Sir Thomas White has given his assent for the purchase by the Royal Bank of Canada of the Northern Crown Bank. It is stated that \$200 a share will be paid partly in cash and partly in shares of the Royal Bank to the shareholders of the Northern Crown. By the absorption of the Northern Crown their shareholders obtain a very satisfactory price for their shares and the Royal Bank gains a much increased clientele among the prairie provinces.

The Northern Crown have 22 branches in Manitoba as against 4 for the Royal Bank, 55 branches in Saskatchewan as against 37 for the Royal Bank. In Alberta however the Royal Bank has 28 branches and the Northern Crown only 4. It is expected that where the Banks are in competition the branches of the Northern Crown will be closed and elsewhere the Northern Crown will be operated as branches of the Royal Bank. It is also expected that the entire staff of the Northern Crown will be taken over by the Royal Bank. In the province of British Columbia it is likely that all branches of the Northern Crown will be closed since the Royal Bank is so well represented in this province having all told 38 branches.

Upon the completion of the merger of these two banks the Royal Bank will be well represented in practically every town of commercial importance in Canada and including its branches in Newfoundland, the West Indies and South America will have nearly 500 branches in operation. When the assets of the Northern Crown shall have been taken over by the Royal, the Royal will then have supplanted the Canadian Bank of Commerce as the second largest bank in Canada with assets as of January 31st, last of \$348,396,000 as against total assets of the Canadian Bank of Commerce of the same date of \$333,531,000.

The principle items of assets and liabilities of the two banks, taken from the January statement of the chartered banks report to the Department of Finance compare as follows: