

The Chronicle

Banking, Insurance and Finance

ESTABLISHED 1881. PUBLISHED EVERY FRIDAY.

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Annual Subscription, \$3.00. Single Copy, 10 cents.

MONTREAL, FRIDAY, FEBRUARY 9, 1917

THE DOMINION BANK.

The annual meeting of shareholders of the Dominion Bank was marked last week as usual, by several interesting addresses. Sir Edmund Osler, the president, pointed out that the margin of profits on war contracts is steadily decreasing because of the scarcity and high price of labor and material, and he suggested that the situation is approaching when profits will be very narrow or not exist at all. The country will, in Sir Edmund's opinion, soon reach a time when there must be a reduction in costs or reconstruction will be impossible. Sir Edmund also said he did not believe that there would be a great expansion of business after the war, but instead he looked for two or three years when profits would be small. Those who placed themselves in a position to tide over these lean years, and who would be able to make both ends meet would be richly rewarded, for he expected the country would make great and rapid progress after the readjustment period had been passed. Sir Edmund's great experience and well-known conservatism in judgment entitle these views to serious attention.

FAVORABLE RESULTS.

For the year 1916, the Bank reports substantially enhanced profits in comparison with the preceding year, the enlargement being due, as Mr. C. A. Bogert, the general manager explained, to two causes, (1) the carrying of loans to grain dealers a much longer period than usual owing to the unprecedented crop of 1915 and the difficulties in obtaining transportation, and (2) the Bank's participation from time to time in the Government's war financing. Profits for the year (after payment of taxes including the war tax on circulation) are \$893,503, compared with \$805,123 a year ago, a growth of over \$88,000, and equal to 6.9 per cent. upon the paid-up capital and rest. Prior to payment of the war tax on circulation—the basis on which the majority of the banks report their profits—they are \$947,615, equivalent to 7.3 per cent. upon paid-up capital and rest. An amount of \$344,440 brought forward makes the total available on this account \$1,237,942.

Of this total the 12 per cent. dividend absorbs \$720,000; \$100,000 was written off bank premises; \$25,000 was as usual contributed to the officers'

pension fund; and \$29,500 devoted to patriotic and philanthropic contributions, the slightly enlarged balance on profit and loss account of \$363,442 being carried forward.

A STRONG POSITION.

Following are the leading items of the balance sheet in comparison with last year:—

	1916.	1915.
Paid-up capital	\$ 6,000,000	\$ 6,000,000
Rest	7,000,000	7,000,000
Profit and Loss Balance	363,442	344,440
Circulation	7,118,232	4,995,666
Deposits not bearing interest	13,282,792	12,604,373
Deposits bearing interest	57,190,822	53,361,225
Total liabilities to public	79,322,310	73,949,637
Specie and Dominion Notes	11,135,832	12,668,869
Deposit with Central Gold Reserve	1,500,000	
Bank Balances Abroad	2,729,602	2,829,383
Call Loans	5,577,404	6,166,360
Securities held	12,297,421	6,569,416
Total of Quick Assets	37,625,896	32,660,401
Current Loans	49,030,365	47,466,260
Total Assets	92,866,692	87,475,127

Circulation shows a quite remarkable increase of over \$2,100,000 from \$4,995,666 to \$7,118,232. Deposits are also up considerably, the chief gain being in interest-bearing deposits which reveal a growth of nearly \$4,000,000 from \$53,361,225 to \$57,190,822. While holdings of specie and Dominion notes have decreased in comparison with 1915, this decrease is offset by the deposit of \$1,500,000 in the Central Gold Reserve. Call loans show a substantial decline from their former level of \$6,166,360 to \$5,577,404. In Canadian call loans, the year's decline is over \$1,600,000, from \$5,944,900 to \$4,325,654 but foreign call loans, probably representing English balances, are up from \$221,460 to \$1,251,751. Securities held at \$12,297,421 have been almost doubled as a result of the Bank's assistance in war financing. Current loans also show a fairly large increase, standing at \$49,030,365 against \$47,466,260. Mr. Bogert mentioned at the annual meeting that of the current loans \$15,000,000 are in the form of advances to those engaged in the handling of the products of the country, and these are, of course, of a liquid character, secured by standard commodities, readily marketable.

In regard to the reserve position of the Bank, cash and its equivalents total \$19,751,071, equivalent to 24.9 per cent. of liabilities to the public. Total liquid assets at \$37,625,896 compare with \$32,660,401 last year and are equal to 47.4 per cent. of the liabilities to the public against 44.2 per cent. a year ago.

The Dominion Bank's St. James Street, Montreal, branch is attaining increased importance under the management of Mr. M. S. Bogert.

THE BANKS' WAR LOANS.

The total amount thus far advanced by the Banks to the Canadian Government and the British Government in connection with war financing is \$201,941,600.

The Weyburn Security Bank, in announcing a quarterly dividend at the rate of 5 per cent. per annum, notifies also a stock dividend of five per cent. which will be issued to stockholders on and after February 21st.