

Remarkable Statements of Two Leading Banks

ANNUAL STATEMENT OF CANADIAN BANK OF COMMERCE.

The objective of so much urging of thrift and savings was the winning of the war and how well that urging succeeded in the later months of the struggle is reflected in the Annual Statement of The Canadian Bank of Commerce. In the course of its fiscal year ending November 30th last, its deposits increased \$76,000,000 or 27.7 per cent. bringing the total up to \$353,158,000. Principally as a result of this increase the assets of the Bank reached by far the largest total in its history, the amount now being \$440,310,703 or \$95,935,000 greater than a year ago. Such an expansion is due solely to confidence of the public in this Bank, which has branches at every considerable commercial point in the Dominion. It has not, in recent years, added to its resources by taking over other institutions, and for that reason its experience is an acceptable measure of the growing use of bank facilities by the public.

At the close of the Bank's year in 1914 its assets amounted to \$245,364,398, so that the increase at the close of November this year was 79.5 per cent. The gains in cash and securities of a liquid character have been respectively 104% and 132%, in the same period those of deposits and commercial loans respectively 95% and 58.8%. Of particular interest is the extent to which this institution has aided the Dominion's war effort in the use of the funds entrusted to it on such a largely increased scale by the Canadian public. By referring to the Bank's Statement it will be found that its holdings of British and foreign securities, and those of its own Dominion and Provincial Governments were \$5,000,000 as compared with \$66,000,000 to-day. This is in itself evidence of signal service, but not more so that the aid given to war work through the agency of current loans in Canada, which in the period under review advanced from a total of \$132,000,000 to \$199,672,294, an amount greater than the total discounts of all Canadian Banks twenty-five years ago.

The shareholders' part of the year's results is satisfactory in that profits amount to \$2,850,318, or 10% of capital and reserve. In proportion to assets employed the earnings are less than a year ago, representing 0.647% of the aggregate, as compared with 0.766% in 1917. In the year ending November 30th, 1914, shortly after the war began, the net profits represented an amount equal to 1.067% of the assets. Higher cost of operation and taxation doubtless accounts for the earnings not being commensurate with the larger resources handled by the Bank.

For distribution the Directors had net profits of \$2,850,318, the substantial sum of \$1,000,000 recovered from over-appropriation, and also the balance brought forward \$1,332,074, making a total of \$5,182,392. The usual dividend and bonus appropriation were made and in addition \$1,500,000 was added to reserve and \$100,000 set aside to cover the cost of a proposed memorial to officers of the Bank who served in the war, and of a history of the Bank. After these provisions, the Directors carried forward the substantial sum of \$1,444,842. The reserve is now \$15,000,000 or as large as the capital. From the shareholders' point of view, the outlook is made more satisfactory by reason of the Bank's large holdings of Government securities at the end of the war which undoubtedly will increase in value. Both these and the other liquid assets and the substantial earnings available for appropriation are indicative of caution and of a sense of responsibility in handling so large a proportion of the savings of the people.

The principal items of the statement are compared in the tables below:

	1917	1918	Increase	Gain
Notes in circulation.....	\$ 23,995,244	\$ 31,583,694	\$ 7,588,450	31.6 %
Deposits	276,425,654	353,158,816	76,733,161	27.7 %
Specie & Dom. Notes..	54,652,247	61,971,163	7,318,916	13.4 %
Total Quick Assets	167,336,942	203,018,981	35,682,039	21.3 %
Commercial Loans	164,668,158	217,289,935	52,621,777	31.9 %
Total Assets	344,373,232	440,310,703	95,935,470	27.8 %
Net Profits	2,637,555	2,850,318	212,762	.80%
Percentage of profits to total assets .64%.				
Percentage of quick assets to liabilities to the public 49.7%.				

	1916	1917	1918
Notes in Circulation	\$ 19,259,347	\$ 23,995,244	\$ 31,583,694
Deposits	229,896,152	276,425,654	353,138,816
Specie and Dominion Notes..	46,291,005	54,652,247	61,971,163
Total Quick Assets	129,341,420	167,336,942	203,018,981
Commercial Loans	150,242,549	164,668,158	217,289,935
Total Assets	288,427,579	344,375,232	440,310,703
Net Profits	2,439,415	2,637,555	2,850,318

ANNUAL STATEMENT ROYAL BANK OF CANADA

Montreal, January 4.—The Royal Bank of Canada reports to its shareholders a year of remarkable progress. For a number of years past the Royal has been going forward by leaps and bounds and on this account the growth and expansion it is able to report for the past twelve months is little short of phenomenal. This in turn reflects the success with which the very large organization of the Bank has been planned and carried out. Just how great has been the expansion may be realized at a glance at the figures now reached by the total assets, which amount to \$427,512,982, a gain during the past twelve months of over ninety millions while in the last two years the increase has totalled over one hundred and seventy millions.

This year a relatively small proportion of the increase is accounted for by the absorption of the Northern Crown Bank and the greater part comes as a natural consequence to the organization the Royal has built up wherever it could be of assistance to the commercial interests of the country.

While its deposits coming more generally from the savings of the Canadian people, the withdrawals for investment for the Canadian victory loans have undoubtedly been very large. Notwithstanding this development which particularly affects the deposit account at the end of fiscal year on November 30th, the deposits bearing interest have increased to a new high record at \$197,348,439, as compared with \$182,488,715, and at the same time deposits not bearing interest have jumped to \$135,243,278, up from \$70,498,667, an increase of approximately sixty-five millions.

At the same time the Bank has developed a large and profitable connection in Cuba, the British West Indies and Central America. Needless to say the building up of a competent organization in this field, where in some cases the staff is required to speak foreign languages, was no light task. In its foreign operations the Bank has never required to employ Canadian deposits, as the deposits obtained locally have more than sufficed to meet the requirements. The extension of its operations moreover have been of great benefit to Canadian trade.

With the very large assets at its disposal the management has evidently found it possible to give full assistance to the Government at a period when war requirements were especially large and, at the same time, has met the growing requirements of its commercial business. Of the total assets of \$427,512,982, the amount maintained in liquid assets is \$224,982,088, equal to 56.59 per cent of the liabilities to the public. Included in the liquid assets are current coin and Dominion notes of \$42,124,658, as compared with \$34,364,275, a year ago and in addition the deposit in the