

LLOYDS BANK LIMITED.

Subscribed Capital, £26,072,500.

Paid up Capital, £4,192,120.

Reserve Fund, £3,000,000.

HEAD OFFICE: 71, LOMBARD STREET, LONDON, E.C.

Deposit and Current Accounts (31st December, 1910)	£78,116,468
Cash in hand, at call, and at short notice	19,603,260
Bills of Exchange	8,758,706
Investments	11,709,417
Advances and other Securities	43,741,880

THIS BANK HAS OVER 600 OFFICES IN ENGLAND AND WALES.

Colonial and Foreign Department: 60, LOMBARD STREET, E.C.

London Agency of the IMPERIAL BANK OF CANADA.

CANADA LIFE ASSURANCE COMPANY.

It is a happy coincidence that on the occasion of the jubilee of the connection of Hon. Geo. A. Cox with the Company, the Canada Life should be able to send out such satisfactory evidences of vigor and expansion as are contained in the sixty-fifth annual report, the leading figures of which appear on another page. The business of the year 1911 was, in the company's opinion, the most important in its long history of sixty-five years—a fact which should be as satisfactory to policyholders as to the directors and management.

Summarising the facts which are reported by the general manager, Mr. E. W. Cox, as making the year so successful, it may be noted that these include the earning of a record surplus of \$1,293,597; a substantial increase in income; the largest annual growth in assets yet recorded, making the assets more than double the amount at which they stood in 1899; a new high record in new paid-for policies, and a substantial gain in interest earnings. This is the fourth year in succession that the Canada Life reports surplus earnings of more than a million dollars, largely owing to those important surplus-making elements—the interest earnings, which have shown continuous improvement since 1899, the continued low expense ratio for the year, and the favorable mortality, which was again lower than expectation.

The leading figures of the year's business show graphically the present extent of the operations of this company and the magnitude of its resources. New paid-for business during 1911 reached \$12,507,063, an excess over the new business of 1910 of \$1,700,000, and the amount of the business in force was raised at the end of the year to the new high level of \$135,615,253. The net premium income was \$4,553,385, comparing with \$3,997,397 in 1910 and interest, etc., brought \$1,980,815, against \$1,904,673 in 1910, so that the total income was \$6,543,201 against \$5,902,070. Payments to policyholders during 1911 totalled \$2,295,073, and as evidence of the wide scope of the Canada Life's operations, it is mentioned in the statement issued that in the past twelve years the Canada Life has paid or credited to its policyholders or their beneficiaries nearly \$50,000,000.

As has already been noted, the year's increase in assets was the largest which has yet been recorded in the history of the company. The assets now stand at \$44,257,341, the total surplus on policyholders'

caution to the investing public against accepting these figures as an accurate representation of the earning power of the individual banks. The profits as published represent what the individual bank executives claim to have earned. Experts in finance are, of course, well aware that the actual profits depend to a large extent on the valuation of the assets. An executive which viewed its loans and discounts in the most optimistic light and which considered it not necessary or advisable to make any provision for losses from bad debts, might, perhaps, show excellent profits, whereas another executive which had the same amount of earnings to dispose of might show a lower earning power because of its desire to provide amply for contingencies.

The rate per cent. of earnings upon the capital does not represent the productivity of capital invested in banking. In most cases the proprietors have invested in the banking enterprises a fund amounting to double the par value of the capital stock. However, as remarked a year ago, an investor may perhaps gain some idea as to the prospects of dividend increases by comparing the ratio of earnings to capital with the rate of dividend paid. The ratio of earnings to capital and rest reflects the earning power of the proprietors' funds.

The ratio of earnings to total resources has some bearing upon the rates of interest charged by the banks. It will be seen that all three ratios show an advance. But the increased profits have not been due, to a large extent, to increased charges, for the ratio of earnings to total resources increased but 1-10th of 1 p.c. The funds controlled by the banks are becoming so large that even a small rise in this ratio has a considerable effect in enhancing the profits.



Rumours have recently been circulated that the insurance companies during 1911 were heavy sellers of their securities at the high prices prevailing during the first half of the year. Reports of some of the larger companies showing their stock and bond holdings as of December 31, do not confirm this view. —N. Y. Journal of Commerce.