

THE ROYAL BANK OF CANADA

In the annual statement of the Royal Bank for the year ended 30th November last, total assets are reported as \$594,670,015 as compared with \$533,647,085 in the preceding year. The statement not only discloses a position of remarkable liquid strength and resources unprecedented in its history, but reveals in a striking manner the substantial part the bank is taking in developing and assisting Canadian commercial trade and enterprise.

With the expansion of the Royal's business and the employment of additional capital subscribed for by the shareholders during the twelve months ended November 30, last, profits also showed material gain over the total reported in the preceding statement, the 1920 aggregate establishing a new high-water mark in the history of this aggressive institution.

What is possibly the most significant feature of the 1920 showing, however, is the excellent position occupied by the bank with respect to cash holdings and easily realizable assets. The latter at upwards of 279 millions are higher by over 5 millions than those at the conclusion of the previous year and represent 50.5 per cent. of the institution's total liabilities to the public. Actual cash assets exceeding 171 millions are shown in the statement, the total bearing the ratio of almost 31 per cent. to public liabilities.

These excellent positions were attained despite an increase of nearly 62 millions in total deposits and one of over 40 millions in current loans in Canada, both items reaching levels of a record breaking nature.

The increased volume of business handled by the bank and capital additions are reflected in the profits accruing during the period, these being shown in the statement at \$4,253,649, compared with \$3,423,264 in 1919 and \$2,809,846 in the preceding year. After deductions for disbursements among shareholders and allowances for pension fund, bank premises writing-off, and circulation tax, in addition to transferring \$1,567,005 to reserve, there remained a balance to carry forward into the current year's profit and loss account of \$546,928.

The profit and loss figures of the three years are given in the following comparative table:

	1920	1919	1918
Profits	\$4,253,649	\$3,423,264	\$2,809,846
Prev. bal. . . .	1,096,418	535,757	564,264
Total	\$5,350,067	\$3,959,021	\$3,374,110
Less:			
Dividends . . .	\$2,153,159	\$1,866,196	\$1,614,702
Bonus	402,680	340,000
Pension Fund .	100,000	100,000	100,000
Off. premises .	400,000	400,000	400,000
War Tax	180,295	156,406	133,651
Patriotic Fund	40,000
Halifax Fund	50,000
To reserve . . .	1,567,005	500,000
Total ded.. . .	\$4,803,139	\$2,862,603	\$2,838,353
Balance	\$546,928	\$1,096,418	\$535,757

Total deposits, as already stated, showed a gain of nearly 62 millions, the increase being entirely due to the exceptionally heavy growth in those of the notice or savings class, which grew by more than 72 millions to \$331,688,078 in the period. Demand deposits, reflecting the changed conditions prevailing in the commercial and industrial fields of activity, were lower by some 10 millions at \$123,329,308.

These changed conditions referred to are also directly indicated in the increase in current loans in Canada, which at \$183,747,409 were upwards of 40 millions in excess of the 1919 total. Current loans outside grew by approximately 12 millions, standing in the 1920 statement at \$102,674,210, the total, it is stated, being well below deposits elsewhere than in Canada.

Call loans in the Dominion were reduced by over 3½ millions to \$12,899,573, while those outside Canada increased over 11 millions to \$44,962,994.

Both the bank's capital and its reserve now stand at \$20,134,010, as compared to \$17,000,000 in each case last year, the premium on the new capital stock issue of \$1,567,005 being augmented by a sum like proportions taken from profit and loss account to bring the reserve up to the first mentioned account.

Coming at a time like the present, when all the reasonable confidence of the public is essential to see the community over the final stage of the readjustment period, the splendid showing made by the Royal Bank of Canada for its last fiscal year cannot but be regarded in the light of the highly satisfactory.

This progress is in part due to the enterprise which has distinguished the Royal Bank for some years past in the development of connections abroad, directed with the business shrewdness which has marked the bank's course for many years.