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THE BANK OF BRITISH NORTH AMERICA.

The eighty-first annual report of the Bank of British North America, covering the period to November 30th last, indicates that last year this old-established institution, which is under the general management of Mr. H. B. Mackenzie, of Montreal, took its full share in the various important developments which marked the banking year. The period was a notable one for this Bank in that it saw the inauguration of a new policy in the appointment of an advisory committee in Montreal, comprising Sir Herbert Ames, M.P., Mr. W. R. MacInnes and Mr. W. R. Miller. The peculiarities of this Bank's constitution and organisation make these appointments decidedly important ones. It may be anticipated that the result of the new departure will be a considerable strengthening of the Bank's organisation here, and that it will be of great service in making the Bank's relations with Canadian trade and commerce, even more intimate than they have been hitherto.

PROFIT AND LOSS ACCOUNT.

From the standpoint of profits, last year shows a distinct improvement in comparison with the preceding period, thanks to the increased use of credit in connection with Government financing. Net profits for the year were \$546,346, compared with \$328,595 in the preceding twelve months, a growth of practically \$218,000. With the balance brought forward of \$52,176, the total available was \$598,522. Of this amount the seven per cent. dividend absorbs \$292,000, and the war tax on circulation, \$46,098. The Bank's generous treatment of its employees has always been notable, and this year \$65,495 is transferred from profit and loss to various funds for their benefit. In addition a bonus of five per cent. to the staff, amounting to some \$34,000, is to be paid. Those who have joined the Forces—215 out of a staff of 659 before the War—will share in this bonus. After this payment and other allocations the balance

forward is increased by \$100,000 to approximately \$152,855.

A STRONG POSITION.

The following are the leading figures of the current balance sheet in comparison with those for 1915.

	1916.	1915.
Paid-up Capital	\$ 4,866,667	\$ 4,866,667
Reserve	3,017,333	3,017,333
Circulation	5,627,982	4,733,254
Deposits not bearing interest	20,511,339	18,150,685
Deposits bearing interest	28,893,573	26,077,647
Liabilities to the public	59,564,151	53,426,301
Gold and Dominion Notes	5,988,275	10,576,299
Deposit in Central Gold Reserve	800,000
Call and Short Loans in Canada	1,446,234	1,472,759
Call and Short Loans elsewhere	4,331,550	5,526,217
Securities held	12,298,385	4,635,119
Liquid Assets	32,534,113	27,899,292
Current Loans and Discounts in Canada	23,936,070	23,267,046
Current Loans and Discounts elsewhere	7,225,512	6,214,693
Total Assets	67,785,958	61,513,696

The Bank has shared in the general increase in deposits, non-interest bearing deposits being up from \$18,150,685 to \$20,511,339, and interest-bearing deposits from \$26,077,647 to \$28,893,573. Circulation shows the large proportionate growth of practically \$900,000 from \$4,733,254 to \$5,627,982. Gold and Dominion note holdings have been much reduced, but there has been a large development in securities held, which total \$12,298,385 against only \$4,635,119 a year ago. This increase is due mainly to purchases of British Treasury bills and the Bank's share in the financing of the Imperial Munitions Board. Canadian call loans are about the same as last year, but foreign call loans are down from \$5,526,217 to \$4,331,550. Canadian current loans and discounts show a slight increase to \$23,936,070 against \$23,267,046 twelve months since. In proportion to liabilities to the public, liquid assets are in the satisfactory ratio of 54.6 per cent. against 52.2 per cent. a year ago, the Bank thus maintaining a strong reserve position.

At the Bank's recent annual meeting held in London, Mr. E. A. Hoare, the Chairman, gave an interesting resumé of Canadian conditions, and spoke with enthusiasm of Canada's share in the military and financial achievements of the war. "When the financial history of the War comes to be written," remarked Mr. Hoare, "it will contain nothing more astonishing than the story of Canada's part. Not only have the long term loans offered by the Finance Minister been over-subscribed with enthusiasm on each occasion, but Canada has actually come to the help of the Imperial Government. Looking back over the decade preceding the War, and the frequent—many thought too frequent—borrowings by the Federal Government, by the provinces, and by the cities, in this country, it is truly remarkable that after the first shock of the War, Canada has not only been able to relieve us on this side from all claims, but also to lend money to Great Britain. This result has not been achieved entirely from internal resources, for Canadian securities have found a ready market in New York, but, nevertheless, it is a wonderful record. If anybody had foretold in the autumn of 1914 that the Canadian Banks would lend to the Imperial Munitions Board \$150,000,000, he would have been regarded as an imbecile, and yet this is an accomplished fact."