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## THE ROYAL BANK'S REPORT.

The Royal Bank of Canada's newly-issued annual statement shows a continuance of that rapid growth and development on the part of this institution, which has been one of the remarkable phenomena of recent Canadian banking history. A decade ago, the assets of the Royal Bank were under \$50 millions; to-day they are reported as in excess of \$335 millions. While in part, the growth of the Royal Bank has been due to the absorption of other banking businesses, both within and without Canada (the expansion of the year which closed on November 30th being accelerated by the absorption of the Quebec Bank as on January 1st last), there is no doubt also that the Bank's growth is a natural development, resulting from enterprise and good judgment in management, and consequent public confidence. The Bank is now exceptionally well placed in regard to territory, since its organisation is not only complete throughout Canada, but it occupies a prominent position in the West Indies and the adjacent mainland, a territory which, in view of the great demand and high prices for several staple tropical products as a result of the war, has undoubtedly in the last two or three years played an increasingly important part in the Bank's operations.

### GROWTH OF RESOURCES.

The leading figures of the present balance sheet are set out in the following table, in comparison with those of the preceding year:—

	1917.	1916.
Capital Paid up.....	\$12,911,700	\$12,000,000
Reserve.....	14,000,000	12,560,000
Profit and Loss Balance.....	564,264	852,346
Circulation.....	28,159,351	18,178,228
Deposits (not bearing interest).....	70,498,667	59,365,396
Deposits (bearing interest).....	182,488,716	140,862,199
Total Liabilities to Public.....	307,703,796	227,484,470
Specie.....	16,079,831	16,072,763
Dominion Notes.....	18,284,445	14,249,110
Central Gold Reserve.....	16,000,000	6,500,000
Bank Balances Abroad.....	10,704,339	5,092,067
Call Loans in Canada.....	12,040,687	11,076,006
Call Loans Abroad.....	14,574,136	21,372,026
Securities held.....	56,686,247	30,506,068
Total of Quick Assets.....	165,836,707	121,127,664
Current Loans and Discounts.....	156,122,065	124,864,658
Total Assets.....	335,574,186	253,261,427

The growth in deposits is notably large, even under present circumstances of expansion of bank-

ing resources. The increase during the year was practically \$53,000,000, following a rise of \$45,000,000 in the preceding year. Of this increase, nearly \$42,000,000 was in interest-bearing deposits. Circulation shows extraordinary expansion, being reported as \$28,159,351 against \$18,178,228 in 1916, a growth of \$10,000,000. This enlargement in circulation is almost covered by additional deposits made in the Central Gold Reserve, which are \$16,000,000 against \$6,500,000 in 1916.

### ADVANCE IN LIQUID ASSETS.

The great bulk of the increase in deposits has been retained in readily available form among the liquid assets. Cash holdings show a growth of over \$4,000,000 to \$34,364,276; and, as already noted, deposits in the Central Gold Reserve has been more than doubled—\$16,000,000 against \$6,500,000. Bank balances abroad at \$10,704,339 are also more than doubled in comparison with 1916, but call loans abroad have been reduced, being reported as \$14,574,136 against \$21,372,026. Canadian call loans are about \$1,000,000 higher at \$12,040,687. Security holdings have also naturally been largely augmented through the Bank's participation in credits to the various Governments, the total holdings being now reported as \$56,686,247 against \$30,506,068 a year ago. Included in the 1917 figures are Dominion and provincial government securities amounting to \$22,322,197 against \$1,029,374 last year, and Canadian municipal and British, etc., securities, \$21,586,546 against \$14,012,090. These increases make the Bank's total of quick assets, including Canadian call loans, \$165,836,707, a proportion to liabilities to the public (which are \$307,703,796), of 53.9 per cent. This compares with quick assets in 1916 of \$121,127,664, liabilities to the public of \$227,484,470 and a proportion of 53.3 per cent.

The Bank's current loans and discounts show a substantial increase of over \$32,000,000 from \$124,864,658 to \$156,122,065. Proportionately the larger increase in these loans has been abroad, for while Canadian current loans show growth from \$86,936,631 to \$102,358,027, foreign current loans have increased from \$37,928,027 to \$53,764,038—an indication of the extent of the prevalent business activity among the Bank's southern connections.

### INCREASED PROFITS.

Profits for the year show the substantial growth of \$216,000, being \$2,327,979 against \$2,111,308 in 1916, and equal to 8.7 per cent. upon the paid-up capital and rest combined against 7.9 per cent. last year. With a balance brought forward from 1915 of \$852,346, the total available on profit and loss account is \$3,180,326. The 12 per cent. dividend absorbs \$1,549,404; \$100,000 is transferred to the officers' pension fund; \$250,000 written off bank premises; \$60,000 contributed to the Canadian Patriotic Fund; \$128,357 absorbed by the war tax on note circulation. Additionally, \$528,300 is transferred to reserve fund, making this fund with premium on new capital stock issued to Quebec Bank shareholders of \$911,700, up to the round figure of \$14,000,000. After making these allocations, the balance of \$564,264 is carried forward.

The whole statement is a highly favorable one, and Mr. Edson L. Pease, the Bank's managing director, and Mr. C. E. Neill, general manager, are to be warmly congratulated upon the fine results achieved.