

The following shows the monthly movement in 1902 and 1903:

MONTHLY MOVEMENT IN 1902 AND 1903.				
Year.	Circulation	Deposits.	Discounts.	Call loans.
	\$	\$	\$	\$
Jan., 1903...	55,040,987	402,914,134	353,655,326	95,478,566
" 1902..	48,586,529	364,267,400	316,442,100	82,269,200
Feb., 1903..	55,746,498	402,827,527	363,764,728	93,308,281
" 1902..	49,450,994	363,699,996	318,219,600	80,763,300
Mch., 1903..	58,283,464	406,933,546	375,761,022	88,208,505
" 1902..	52,442,912	362,022,000	327,843,500	82,818,600
Apr., 1903..	55,177,647	412,188,387	385,845,525	84,928,558
" 1902..	50,691,588	371,153,600	330,898,100	82,524,000
May, 1903..	56,949,119	413,625,053	385,279,580	79,517,869
" 1902..	50,754,716	371,847,000	330,065,398	79,586,816
June, 1903..	58,865,845	415,173,113	385,273,319	80,386,703
" 1902..	53,953,043	380,681,300	326,812,200	92,216,400
July, 1903..	57,563,665	418,489,292	385,812,524	78,263,690
" 1902..	52,070,165	387,856,600	325,085,900	96,411,500
Aug., 1903..	60,414,740	420,216,076	381,092,522	80,367,525
" 1902..	55,035,701	390,176,300	327,981,000	102,476,100
Sept., 1903..	63,741,270	427,174,192	397,751,282	78,188,096
" 1902..	60,965,801	397,856,200	339,390,200	101,992,900
Oct., 1903..	70,480,611	423,111,025	404,762,799	71,313,846
" 1902..	65,928,970	397,179,000	349,657,200	98,758,200
Nov., 1903..	67,425,586	430,670,400	401,897,566	72,330,679
" 1902..	61,491,641	403,151,415	351,530,583	101,522,685
Dec., 1903..	62,639,407	434,336,757	403,036,195	74,021,090
" 1902..	60,574,144	407,307,707	357,010,326	95,089,944

The most marked feature in the movement of bank business in 1903 is the large increase last year in current loans and discounts, the amount in December, 1903, \$403,086,195, against \$357,010,826, being \$46,025,869 more than in December, 1902. This is an increase of over ten millions greater than ever before occurred in these loans in one year. While discounts were expanding, the deposits were not keeping pace with them as they had done in 1902, 1901, and 1900, in which three years the banks received more deposits to extent of \$134,073,907, while they only increased their discounts by \$90,331,725, leaving \$43,742,182 to be utilized for other business. As the increase in deposits in 1903 fell short to extent of \$18,996,819 of the increase in discounts, the funds for these advances were obtained by an enlargement of capital and reduction in other classes of loans, as is apparent from the above statistics.

### BONUSES:

#### Their Sources and their Distribution.

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Life assurance policies are issued either "without profits" or "with profits," as the applicant may prefer. In the former—the non-participating policy—there is the advantage of a smaller premium assuring a certain fixed sum; or, conversely, a certain amount of premium securing a larger amount of assurance from the outset if the policy is taken "without profits" than it would if taken "with

profits." In the latter—the participating policy—a certain fixed minimum sum is assured from the outset, which is increased from time to time by the addition of bonuses derived from the surplus funds earned by the skilful and profitable management of the business.

As might be supposed, the "with profits" policies are, for obvious reasons, the more popular. Fully seven-eighths of the existing policies with the British Life Offices were effected on that plan.

The profits from which bonuses are derived arise mainly from the following sources:—

1. The mortality experienced being more favourable than that indicated by the tables employed in forecasting the "expected" deaths;

2. The interest earned on the accumulating funds being above the rate assumed in the office calculations;

3. Profit on investments, on their being realized; and

4. Economy of management, under which the expenses are kept, to a greater or less extent, within the limit (or "loading" as it is called) provided in the premiums.

These profits, or surplus funds, are ascertained and distributed after periodical—(quinquennial being the most usual)—investigation and valuation of the assets and liabilities by the directors, the actuaries, and the auditors.

The rates of interest mortality, and expense vary among the different companies, but—thanks to the excellent work of the Institute of Actuaries, London, and the Faculty of Actuaries in Scotland during the past half century—their methods of valuation are all more or less alike.

Diversity comes in much more largely in their bonus systems—their methods of distributing the surplus funds, or profits, among the policyholders.

Bonuses are usually allocated as additions to the sums originally assured by the policies, and are payable along with them at death. These, however, may be applied in many different ways during the lifetime of the assured.

While there are many varieties in the methods employed in carrying out the details of each, the various bonus systems may, for practical purposes, be classified generally as follows:—

1. No bonus until the assured has paid in premiums (accumulated at interest) an amount equal to at least the original sum assured by the policy—the "face value";

2. No bonus until the assured reaches the "expectation of life" corresponding to his age at entry;

3. A uniform bonus for each year, irrespective of the age of the assured or the duration of the policy;

4. A compound bonus for each year, irrespective of the age of the assured;

5. A bonus for each year, decreasing with the