

of this money may reward the Merchants' Bank for their recent entry into the North West, and the establishment of several branches in that land of promise.

The balance of profit and loss account thus carried forward will be \$48,841.88, and the Reserve Fund \$2,600,000.

It would seem from an explanatory note appended to the statement to have been the custom of the bank to make the amount of the annual pensions to retired officials (about \$12,000), a charge upon the annual profits; but the Board announce their intention to give this matter attention during the present year.

Altogether, the prospects of the Merchants' Bank of Canada for the next twelve months are bright, and the increased business likely to result from occupancy of territory in the North West ought to make the next balance sheet of the bank a source of pleasure to all interested therein.

THE NORTH BRITISH AND MERCANTILE INSURANCE COMPANY.

The eighty-eighth annual report of this great company was presented at the general meeting, at Edinburgh, on the 6th ult. Always holding a position in the vanguard of British offices, the yearly statement of the North British and Mercantile Insurance Company is invariably very satisfactory to the reviewer, and cheering to those financially interested in the company's welfare. The figures for the year ending 31st December, 1897, show an excellent and profitable business, and the result is the more satisfactory, when we recall that the company suffered losses amounting to about \$210,000 by the conflagrations in Canada, Melbourne and London; but such a strong financial institution pays promptly and bears its losses very lightly.

The Fire Department yielded in net premiums \$7,160,145. The losses amounted to \$4,048,025 (56.4 per cent.), and the commission and expenses to \$2,423,645. The balance carried to profit and loss after adjustment of the difference between the premium reserve of 1897 and that of the previous year amounted to \$756,685. A slight reduction in the premium revenue is stated to be due to the reduction of limits rather than to curtailment of business and this revision of limits is testimony to the prudence of the managers of the North British.

The net new premiums (after the deduction of those paid to re-assuring offices) of the Life Department of the company amounted to \$310,420, representing over seven millions and a half dollars of new assurances, sufficient to satisfy any cautious critic, who might express regret at these handsome results being a shade less than those of the previous year.

The net income of the Life Department from premiums and interest for 1897 amounted to \$5,133,575 and the Balance Sheet shows the Life Assurance Fund to be \$37,771,745, an increase since the 31st December, 1896 of \$2,000,190.

The liabilities of the company, at the last valuation, were computed upon the Hm. table with 3 per cent. The business of last year is again remarkable for the evidence it affords of the economy of management practiced by the North British and Mercantile—the expenditure for commissions, etc., only amounting to 11.8 per cent. of the premiums. At the close of business in 1897 the balance to credit of Profit and Loss was \$3,101,435 (after transferring \$5,000 to the company's superannuation fund and writing off \$18,500 from investments). The dividend and bonus will take \$825,000 of this amount.

A summary of the business for the twelve months shows the shareholders' funds increased by \$414,845 and, after paying the dividend and bonus, the total fire, life and annuity funds, inclusive of paid-up capital amounted to \$66,960,945.

We extend to Mr. Thomas Davidson, the Managing Director of the North British and Mercantile in Canada, and to the Superintendent and Secretary, congratulations upon the continued growth and prosperity of the company they so ably represent, and we trust they may long continue by their honorable dealings to enjoy the respect and confidence of Canadian policyholders.

THE BANK OF TORONTO.

In a period of twelve months not favourable to the steady and profitable employment of money, the Bank of Toronto has managed to earn \$210,650 as against \$208,120 for the preceding year. Happy in the possession of a Reserve Fund almost equalling in amount its paid-up capital, the Bank of Toronto continues to distribute the bulk of the net profit of the year's business among its fortunate shareholders, who again receive dividends amounting to ten per cent.

After payment of said dividends, the balance of the profit, \$10,650.61 has been transferred to Profit & Loss Account, making the balance carried forward to 31st May, 1899, \$100,347.01. Such a sum ought to be ample cover for any contingency attaching to the somewhat large amount of the overdue debts (\$157,000), and, as provision has been made for any loss on these past due obligations of customers, and no inroad seems to have been made upon the \$90,000, similarly carried forward at the close of the bank's last financial year, it is reasonable to expect the Bank of Toronto may soon issue a statement showing its capital and rest equal in amount, and making together the snug amount for dividend earning purposes of \$4,000,000.

To be able to issue such a clean and solid statement as the one published in this issue of The Chronicle, must be a source of satisfaction to the Directors and General Manager of the bank. The most noticeable items of the statement are the deposits, which show an increase since the 31st May, 1897, of nearly a million dollars, and the large amount of immediately available assets, about five millions of dollars. With no real estate worthy mentioning other than Bank Pre-