

THE MOLSONS BANK REPORT.

Interest annually attaches to the report of the Molsons Bank, not only as that of a conservatively managed institution, but on account of its priority in the series of bank reports which make their appearance towards the end of the year. From the latter point of view, the Molsons' report is this year of a highly re-assuring and satisfactory character. Its outstanding features are a very large increase in the amount of liquid assets held—an increase about equal to the year's growth in deposits—together with an advance in profits which, while of moderate dimensions, serves as an indication of a satisfactory recrudescence of earning power on the part of the banks generally. The results achieved by the Molsons Bank during the year ended September 30th reflect high credit upon Mr. E. C. Pratt, its general manager, and his staff, who have had times of considerable anxiety during the war period.

THE YEAR'S FIGURES.

Following are the leading items of the newly issued balance sheet and that of the previous year:—

	Sep. 30, 1916.	Sep. 30, 1915.
LIABILITIES.		
Capital paid up.....	\$ 4,000,000	\$ 4,000,000
Reserve Fund.....	4,800,000	4,800,000
Circulation.....	4,804,730	3,519,155
Deposits not bearing interest.....	6,456,088	5,040,011
Deposits bearing interest.....	39,288,335	33,781,359
Liabilities to public.....	51,104,158	43,037,456
ASSETS.		
Specie and Dominion notes.....	5,435,112	4,524,150
Central Gold Reserve.....	500,000	
Securities held.....	8,758,737	3,546,922
Current loans.....	33,007,523	31,849,088
Call and short loans.....	4,347,029	5,302,065
Quick assets.....	24,186,609	17,408,333
Total assets.....	60,142,105	52,009,550

The total growth in the Bank's deposits during the year has amounted to about seven millions. Of this the greater part has been in the interest-bearing deposits, which are up from \$33,781,359 to \$39,288,335, or by about \$5,500,000. In the previous year, these deposits increased \$2,450,000. Non-interest bearing deposits, which in 1915 receded some \$460,000, this year are up from \$5,040,011 to \$6,456,088, or by \$1,400,000. An indication of increased trade activity (combined with higher prices) is seen in the expansion of the Bank's circulation, which after falling over \$400,000 in the preceding year, rose last year \$1,300,000 from \$3,519,155 to \$4,804,730. In consequence of these movements, the Bank's liabilities to the public have moved up from \$43,037,456 in 1915 to \$51,104,158.

On the assets' side of the account, cash holdings show a large increase. Specie and Dominion notes are up by fully \$900,000 from \$4,524,150 to \$5,435,112, and there is in addition this year a deposit in the Central Gold Reserve of \$500,000. These holdings of cash are in the proportion of 13.8 per cent. of the liabilities to the public. Through the Dominion War Loans and the munitions credits to the British Government, the Bank's holdings of securities have been much more than doubled during the past year, being increased from \$3,546,922 to \$8,758,737. Contrary to the movements shown by the banks as a whole, the call loans of the Molsons Bank show a decrease during the past year and the current loans and discounts an increase. Call loans, which in the previous year increased \$80,000 to \$5,302,065, are now down to \$4,347,029.

Current loans, which in 1915 decreased from \$32,201,380 to \$31,849,908, are now up to \$33,007,523, a gain during the past year of \$1,150,000.

The total assets of the Bank have increased during the year by over \$8,000,000 to \$60,142,105. About \$6,800,000 of this gain is included in the advance in quick assets, which are up from \$17,408,333 to \$24,186,609, showing the excellent proportion of liabilities to the public of 56.2 per cent. against 40.5 per cent. a year ago.

PROFIT AND LOSS ACCOUNT.

The profit and loss account, as already indicated, shows a moderate but distinct improvement in the Bank's earning power. Net profits for the year ended September 30, after making provision for accrued interest on deposits, exchange and for bad and doubtful debts, were \$582,356, compared with \$556,194 in the previous year, and representing an earning of 6.6 per cent. on the paid-up capital and reserve combined, against 6.3 per cent. in 1915. An amount of \$61,300, brought forward on profit and loss account from the previous year, makes the total available on this account \$643,656. This amount is distributed in a conservative manner. The eleven per cent. dividend absorbs \$440,000; \$21,037 is contributed to the Officers' Pension Fund; \$15,000 to Patriotic and Relief Funds, while the War Tax on the Bank's circulation absorbs \$40,000. In each of the three preceding years, the Bank had made provision to provide for depreciation in securities or other contingencies. Fortunately, this step has not been necessary in 1916, and after making the allocations

(Continued on page 1081)

ESTABLISHED 1873.

The Standard Bank of CANADA Head Office, TORONTO

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THE business man who has customers in various parts of Canada or elsewhere will find the services of this Bank of invaluable assistance in collecting drafts, etc.



Montreal Branch: 136 ST. JAMES STREET
E. C. GREEN, Manager.