

THE BANK OF NOVA SCOTIA'S STATEMENT.

The eighty-first annual report of the Bank of Nova Scotia, which appears in full on another page, is of a character calculated to give all interested in this old-established bank ample satisfaction. Last year was distinguished for the Bank of Nova Scotia by handsome profits and a considerable enlargement of operations and resources, the results achieved showing notably the ability with which the affairs of this Bank are conducted under the general management of Mr. H. A. Richardson. The net profits for the calendar year, 1912, after making the usual allowances amounted to \$970,544, equal to 23.28 per cent. upon the average paid-up capital for the year. This is an increase of some \$155,000 upon the profits of 1911, which were \$815,519. A balance of \$57,848 was brought forward from the previous year, so that the total available on profit and loss account is \$1,028,392. The quarterly dividends at the rate of 14 p.c. take of this amount \$583,538; \$200,000 is transferred to reserve, which has also received additions of over \$1,000,000 owing to the issue of new capital by the bank; \$150,000 is written off the pre-nises account; and a contribution of \$40,000 having been made to the officers' pension fund, there remains to be carried forward a balance of \$54,854.

Following are the leading items of the bank's annual statement in comparison with those of the previous year:—

	1912.	1911.
Paid-up Capital	\$ 4,734,390	\$ 3,984,790
Reserve	8,728,146	7,474,447
Circulation	4,256,739	3,672,685
Deposits	51,039,468	46,938,341
Liabilities to public	57,410,606	51,446,559
Specie and legals	8,592,531	7,637,710
Call Loans	11,092,499	12,152,247
Quick Assets	33,007,674	32,148,864
Current loans, etc.	36,622,549	29,589,757
Total Assets	71,279,299	63,271,190

There was during 1912 a considerable expansion in both the Bank's paid-up capital and reserve fund. Early in August of last year, not long after the figures of paid-up capital had reached \$4,000,000, a further issue of \$1,000,000 was announced and of this by the end of the year nearly \$750,000 had been paid up. The completion of payments upon this issue will bring the paid-up capital of the Bank up to \$5,000,000 and the reserve fund to \$9,100,000, while the taking over of the Bank of New Brunswick will mean a still further considerable enlargement both of these accounts and of the operations and resources.

Circulation at December 31 last aggregated \$4,256,739, or \$600,000 higher than a year previously while deposits in the twelve months increased from \$46,938,341 to \$51,039,468. The liabilities to the public advanced by about \$6,000,000 to \$57,410,605.

On the other side of the account also large advances are shown. Cash holdings have been increased by nearly \$1,000,000 to a total of \$8,592,531. Call loans, as was to have been expected, show a decrease, being down by about \$1,000,000 to \$11,092,499; but current loans, etc., are swollen by over \$7,000,000 to \$36,622,549. The total assets show an expansion of \$8,000,000, bringing them up to \$71,279,299. Of the total assets, \$33,007,674 are quick assets, giving the high proportion of quick assets to liabilities to the public of 57 p.c.

Mr. W. P. Hunt continues as the manager of this bank at its important St. James street, Montreal, branch.

BRITISH BANKS' LOSSES BY DEPRECIATION OF INVESTMENTS.

While the great British banks are showing handsome profits in their newly-issued reports, owing to the high level of money rates during 1912, especially in the latter half of the year, the necessity for providing for depreciation of investments to some extent offsets the benefits of increased earnings. The subjoined table, compiled by the London Economist, shows the sums written off investments during the past three years by some of the leading British banks. It will be seen that the amounts are very large.

	1910.	1911.	1912.
	£	£	£
Lancashire and Yorkshire	20,000	10,000	10,000
Lloyds	220,000	107,500	215,000
London and Provincial	50,000	50,000	100,000
London and South-Western	25,000	40,000	70,000
London City and Midland	131,158	—	160,000
London County and Westminster	125,000	130,000	200,000
London Joint Stock	30,000	82,000	120,600
Manchester and County	20,000	30,000	20,000
Manchester and Liverpool District	50,000	not shwn	not shwn
Metropolitan	35,000	21,500	40,000
National Provincial	130,000	116,000	199,000
Union of London	120,000	60,000	50,000
Union of Manchester	10,000	—	—
United Counties	—	—	15,000
West Yorkshire	11,000	14,000	12,000
William Deacon's	20,000	25,000	35,000

IMPERIAL GUARANTEE AND ACCIDENT INSURANCE COMPANY.

The eighth annual report by the directors of the Imperial Guarantee and Accident Insurance Company of Canada, which appears on another page, is of a very satisfactory character. The business is steadily expanding, and that the management is conservative is evidenced by the decision, announced in the present report, that it has not been deemed advisable to enter the field of workmen's compensation insurance, as it is believed to be a safer policy to build up the business on the lines of accident, sickness, fidelity, guarantee and plate glass insurance. In view of the highly unfavorable experience which other companies have had in the workmen's compensation field, and of the amount of uncertainty which still surrounds the future of that business, the decision of the Imperial Guarantee and Accident in this connection would appear to be an eminently wise one, calculated to further the interests of the company on the sober lines which it has pursued from the outset.

In 1912, the Imperial Guarantee and Accident issued 14,651 policies for \$34,174,157, this being an increase over 1911 of 1,633 policies and of \$3,095,818 in business written. Premium income was \$322,686, and with interest earnings at the higher level of \$12,334, the total income was \$334,420, an increase of about \$70,000 on 1911.

The assets of the Company were in the course of last year enlarged by nearly \$50,000 and now amount to \$386,234. The surplus on policyholders' account is further increased to \$250,742, which together with the uncalled subscribed capital of \$800,000 makes the available security for all contracts, \$1,050,742.

The Imperial Guarantee and Accident is fortunate in the possession of an influential directorate, while it is strongly officered, Mr. E. W. Cox being president, and Mr. E. Willans, its able general manager.