

LLOYDS BANK LIMITED.

Subscribed Capital, £26,072,500.

Paid up Capital, £4,192,120.

Reserve Fund, £3,000,000.

HEAD OFFICE: 71, LOMBARD STREET, LONDON, E.C.

Deposit and Current Accounts (31st December, 1910)	£78,116,468
Cash in hand, at call, and at short notice	19,603,260
Bills of Exchange	8,758,706
Investments	11,709,417
Advances and other Securities	43,741,880

THIS BANK HAS OVER 600 OFFICES IN ENGLAND AND WALES.

Colonial and Foreign Department: 60, LOMBARD STREET, E.C.

London Agency of the IMPERIAL BANK OF CANADA.

out of one year and into the next. To illustrate, the balance carried out in 1910 is given as \$4,340,807; while the balance brought into 1911 is \$4,326,930. The difference, \$13,877, represents the balance carried out by the Union Bank of Halifax, which was absorbed by the Royal Bank. This item is also affected when a bank changes its year end and reports for a broken period of a year.

It was noted in last year's review that the ratio of earnings to average total resources had been steadily declining. The two years 1906 and 1907 saw an increase in this average return, such increase being a natural result of the especially strong demand for bank credits seen in those years. But decreases followed in 1908, 1909 and 1910, in the course of which period the average fell from 1.47 p.c. to 1.19 p.c. A check was given to this tendency in 1911, in which year the ratio rose to 1.29 p.c. It is quite possible that in 1912 a further rise may be seen; but it may be expected that the interruption to the fall

will be but temporary. The general course of interest rates is downwards and when the extraordinary circumstances now affecting money market conditions pass away probably the fall will be resumed.

An interesting feature of the table is the large increase in 1911 in the earning power on proprietors' funds. The ratio of profits to average capital and rest shown in 1911 is the highest in seven years. This, of course, is partly the result of a higher average of discount and interest charges, but it is not by any means solely influenced by the lending rates. It would be increased by a policy of drawing down the cash reserves to increase current loans and discounts; and it would be increased by a large or disproportionate increase in the current accounts or non-interest-bearing deposits held by the banks.

The death is announced in Hartford, Conn., of Mr. George Laing, who was well known in Winnipeg where he was formerly manager of the Aetna Life.

COMPARATIVE STATEMENT OF RELATION OF BANKS' RESERVES TO IMMEDIATE LIABILITIES
(Compiled by The Chronicle.)

	January, 1912	December, 1911	January, 1911	January, 1910
LIABILITIES.	\$	\$	\$	\$
Dominion Government deposits.....	5,459,326	8,081,605	3,635,876	5,699,911
Provincial Government deposits.....	27,015,103	25,003,062	26,832,060	24,775,784
Deposits of the Public "demand".....	316,936,962	335,020,693	276,178,480	238,423,785
Deposits of the Public "notice".....	596,847,174	591,068,932	549,774,479	508,207,804
Deposits elsewhere than in Canada.....	77,049,762	80,006,935	66,102,224	83,368,219
Total deposits.....	1,021,308,327	1,039,781,227	916,530,119	864,475,503
Note Circulation.....	8,065,521	102,037,305	17,110,971	73,378,676
	1,111,373,848	1,141,818,532	933,641,090	937,854,179
*Less notes and cheques other Canadian banks held.....	49,883,535	62,065,361	39,644,830	57,899,263
Net Liability.....	1,061,490,313	1,079,753,171	893,996,260	899,954,916
AVAILABLE ASSETS.				
Specie and legals.....	134,181,975	135,121,714	109,534,093	101,068,782
Net foreign bank balances.....	39,596,016	36,593,267	34,960,946	40,374,638
Foreign call loans.....	80,871,118	92,106,695	91,796,665	127,934,880
	254,649,109	263,821,676	227,295,744	269,378,300
Percentage of Liability.....	23.99	24.43	23.83	29.93

*This item is deducted because it represents obligations of the banks held by themselves