Before moving the adoption of the report, the President called upon the General Manager to address the shareholders:

GENERAL MANAGER'S ADDRESS.

When we had the pleasure of addressing you on the occasion of our annual meeting for 1913, we had every reason to look forward with apparently well-founded expectations that the year just ended would prove not less favorable than the preceding one. There was a movement during the first months of the year so world-wide in its scope as to lead many to infer that the drift of financial affairs towards a moderate prosperity had become unmistakable. The uneasiness regarding the settlement of the Balkan question had almost disappeared, and with the gradual adjustment of other political and international difficulties there was an apparent readiness to return to normal conditions. This enabled a large volume of securities to be marketed, which did much to relieve a very acute situation. As the season advanced the prospect of satisfactory crops and of fairly good returns from every legitimate enterprise should have assured a financial and industrial revival. Then came the outbreak of the European war, an event so tremendous in its import that at first we failed to realize the extent of the dislocation of business that it would entail, and the consequent hardship and loss to every conceivable interest the world over; yet we have stood the shock with remarkable fortitude and courage.

Considering all these untoward circumstances, the report and statements now presented to you bring us the satisfaction that we have not labored in vain. In consequence of the extraordinary depreciation in the prices of all securities, we have made a careful revaluation on very strict lines; and having in the past been conservative and prudent with the disposition of our returns from this source, we were enabled to make all our adjustments without interfering with current profits. Our usual care has been exercised in providing for bad and doubtful debts, and with the return of more propitious times we should derive very important recoveries.

The net profits for the year were $2,668,233.29, a decrease of $324,717 from last year, and amounted to 9.36 per cent. on the Capital and Rest combined. We were enabled to pay dividends amounting to $1,800,000, these being at the usual rate of 10 per cent. per annum, with extra bonus dividends of 2 per cent. The regular appropriation for the Pension Fund required $80,000, and subscriptions to Patriotic Funds amounted to $55,000. We are carrying forward in Profit and Loss Account a balance of $1,117,763.27, as against $384,529.98 a year ago.

You will notice that no appropriation has been made in Bank Premises Account, which shows an increase over last year of $405,510. This increase is mainly accounted for by the final payments on some of our larger buildings and by the sums expended in purchasing sites for a number of the smaller offices. As we indicated in the report presented to you in January, 1910, we have in the past endeavored to keep the figures of this account within 50 per cent. of the value of the properties which it covers. During the past year we obtained from reliable outside experts an appraisal of all the premises belonging to or controlled by the Bank, instead of relying, as formerly, upon the best information available through our various managers; and the result of this indicates that the figures given in our balance-sheet are well below the limit of 50 per cent. just referred to. This is a source of much gratification to us, emphasizing, as it does, the conservative estimates of our managers. In this connection we may add that the Bank owns and controls the stock of The Dominion Realty Company, Limited, by which Company our smaller buildings are erected and owned. This stock is carried on our books at the nominal value of $1. The last annual statement of this Company, bearing even date with our own, shows a surplus of $3,240,411.78.

The Bank's notes in circulation stood at $14,942,557 at the close of our year, this account showing important fluctuations during the period under review, from a minimum in July of $11,934,000 to a maximum in October of $16,679,038. Our deposits decreased $11,304,905, accounted for by a general reduction in current account balances, which is not unnatural under the circumstances; the ordinary deposits bearing interest show a decrease of only $197,211, a remarkable exhibit when we consider the probable requirements of small depositors under existing conditions and the extraordinary opportunities which have offered for investing in first-class securities at remunerative rates. Bills Payable Account, representing our participation in international exchange transactions, amounted to $3,924,151, being a reduction of $5,591,636 from the figures of our last report. We wish to place on record that in accordance with an understanding acted upon by all the Canadian banks in London as to the moratorium in respect of bills of exchange, we adopted the policy agreed upon by the clearing banks, and reaccepted, with a few trifling exceptions, all our bills which matured in August, although during the whole period we were carrying bank balances more than sufficient to meet these commitments. At the expiration of the thirty days we resumed paying all our bills without exception. We did not take advantage of the moratorium in any other respect, and did so in respect of our bills merely to join in a united front to the public.

Call and Short Loans were $27,677,386 and other Current Loans and Discounts $142,588,076, as compared with $25,764,910 and $154,576,889 in our last report, the total being $170,265,463, a decrease of $10,076,337 for the year. Government and other securities were $21,191,247, a decrease of $2,766,571. The percentage of quick assets to liabilities to the public was 43.20. In thus strengthening our position we have the satisfaction of knowing that no credit usually granted to any of our customers was curtailed during this very trying year.

In accordance with the resolution passed at the annual meeting in January, 1912, and taking advantage of the provision for this purpose contained in the revised Bank Act, the directors passed a by-law on April 17th last providing for the change of the par value of the shares of the capital stock of the bank from $50 to $100 each. Steps were at once taken to notify the shareholders of the change, and to communicate with those who held an odd number of shares, offering to arrange the purchase or sale of one share for them on being notified of their wishes. As a result, although approximately 1,400 shareholders held an odd number of shares, only twenty-four of these remained to be adjusted when the time limit set for the change expired on August 15th last. These twenty-four shares were subsequently sold and the proceeds remitted to the former owners in accordance with the provisions of Section 35a of the Bank Act. It is interesting to note, as indicating the loyalty of our shareholders to this bank, that out of the large number affected by the change practically two-thirds preferred to add to their holdings rather than to part with even the small amount of stock represented by a fractional share. The number of the Bank's shareholders is now 6,147, as against 6,026 a year ago. The following table indicates how widely our shareholders are scattered, not only in Canada but abroad:

	No. of Shareholders.	No. of Shares.
Ontario	1,385	40,367
Quebec	1,193	30,354
Maritime Provinces	778	15,454
Western Provinces	161	2,959
In Canada	3,517	89,134
Great Britain	1,816	33,283
United States	707	25,690
Other Countries	107	1,893
Total	6,147	150,000

We have not thought it advisable to open many new branches, but are confining ourselves to districts giving unusual promise of future development, and in several instances we have closed branches that had not proved profitable after a fair trial. We shall pursue this policy whenever possible, and thus endeavor to escape needless expense and loss. The net increase of branches during the year was six, the geographical distribution being as follows:

Alberta	52
British Columbia	44
Manitoba	23
New Brunswick	4
Nova Scotia	13
Ontario	87
Prince Edward Island	5
Quebec	82
Saskatchewan	60
Yukon	2
In Canada	372
Newfoundland	1
London, England	1
United States of America	4
Mexico	1
Total	379