

On motion the president, Mr. G. A. Cox, was requested to take the chair, and Mr. J. H. Plummer, the assistant general manager, was appointed to act as secretary.

It was moved by Mr. John Hoskin, Q.C., L.L.D., seconded by Mr. W. B. Hamilton, that Messrs. Philip Browne, A. E. Ames, and R. H. Temple act as scrutineers. Carried.

The president called upon the secretary to read the annual report of the directors as follows:—

REPORT.

The directors beg to present to the shareholders the twenty-fifth annual report, covering the year ending 31st May, 1892, together with the usual statement of assets and liabilities:

Balance at credit of Profit and Loss account, brought forward from last year.....	\$ 22,406 54
Net profits for the year ending 31st May, after providing for all bad and doubtful debts.....	529,642 65
	<hr/> \$552,049 19

Which has been appropriated as follows:—

Dividends Nos. 49 and 50, at seven per cent. per annum.....	\$420,000 00
Transferred to Rest account.....	100,000 00
Written off bank premises and furniture.....	12,500 00
Balance carried forward.....	19,549 19
	<hr/> \$552,049 19

The entire assets of the bank have been subjected to the usual careful revaluation, and ample provision has been made for all bad and doubtful items. The various branches, agencies, and departments of the bank have been inspected during the year.

Four additional branches have been opened; one at Ailsa Craig, Ont., rendered necessary by the growth of our business in the section hitherto served by the Parkhill branch; one near the St. Lawrence market, Toronto; and two in Montreal, the first in order of time having been opened for business in the vicinity of Chabouille square, and the second on St. Lawrence street, near its intersection with St. Catherine street.

The directors again record with pleasure their appreciation of the efficiency and zeal which have characterized the performance of their respective duties by the officers of the bank.

GEO. A. COX,
President.

GENERAL STATEMENT, 31ST MAY, 1892.

Liabilities.

Notes of the bank in circulation....	\$ 2,623,844 00
Deposits not bearing interest....	\$ 2,723,720 00
Deposits bearing interest, including interest accrued to date ..	14,276,464 42
	<hr/> 17,000,184 42
Balances due to other banks in Canada	5,944 87
Balances due to foreign correspondents	10,897 78
Balances due to agents in Great Britain	391,875 93
Unclaimed dividends.....	1,249 32
Dividend No. 50, payable 1st June	210,000 00
	<hr/> \$20,243,996 32
Capital paid up..	\$ 6,000,000 00
Rest	1,000,000 00
Balance of Profit and Loss account carried forward	19,549 19
	<hr/> 7,019,549 19
	<hr/> \$27,263,545 51

Assets.

Specie	\$437,126 51
Dominion notes....	705,138 00
	<hr/> 1,142,264 51
Deposit with Dominion Government for security of note circulation.....	67,539 65
Notes of and cheques of other banks.....	840,063 06
Balances due by other banks in Canada	112,136 82

Balances due by agents of the bank in the United States ..	2,959,133 65
British and Canadian Government securities, municipal and other stocks and bonds	1,555,585 11
Call loans on stocks and bonds	1,948,930 61
	<hr/> \$8,625,653 41
Time loans on stocks and bonds	810,779 93
Other current loans and discounts	16,784,297 71
Overdue debts (loss fully provided for).....	110,705 45
Real estate (other than bank premises)	13,070 56
Mortgages.....	185,336 03
Bank premises and furniture ..	659,078 06
Other assets.....	74,624 36
	<hr/> \$27,263,545 51

B. E. WALKER,
General Manager.

The report having been read, the president said:—

I need not say that it gives the directors great pleasure to meet those present at this, the twenty-fifth annual meeting of the shareholders. The statement of assets and liabilities now before you exhibits an active and increasing business, and the Profit and Loss account shows that we have had a satisfactory year as to profits. After paying the usual dividend of seven per cent., we have been able again to add \$100,000 to our Rest account, and to write \$12,500 off our bank premises account. This brings the Rest Fund up to one million dollars, and while the percentage of this fund to the capital is still much smaller than we hope to see it in the future, the actual amount of the fund is large enough to be a source of great satisfaction to your directors, especially in view of the care exercised each year in providing for every weak spot in the bank's assets before undertaking to pass any sum to the Rest account.

This is the 25th anniversary of the foundation of this bank, and it may be interesting to you if I direct your attention for a short time to the growth it has made since the date of organization. Perhaps the simplest test of the position it has gained among its fellow institutions is shown by the growth of its deposits. At the close of 1867, they amounted to \$766,000; at the close of 1877, \$7,304,000; 1887, \$10,082,000; while at the 31st May, 1892, they have reached the splendid figures shown in our statement, namely, \$17,184,000. There are banks in this province with capital stocks much smaller than ours, which have been able to accumulate larger Rest accounts, and to pay larger dividends, and we view their success with pride, as we do that of any commercial institution founded in this province. But the problem before a bank with a large capital, and that before a bank with a small capital, differs materially, and I am sure our shareholders will hear with great satisfaction the facts and figures I am about to read setting forth some of the results of our first quarter-century of business. The fact that the dividend just paid is the fiftieth dividend shows that in our history we have never failed to pay half-yearly dividends. For the entire period the dividends average about seven and three-quarters per cent. per annum on the capital paid up, and the aggregate of dividends paid amounts to the very large sum of \$10,137,955. If the dividends in the bank's early years had been smaller, as they doubtless should have been, the Rest account would at this moment be large enough to satisfy any of us. Again, if the capital had been smaller, the percentage of results would have been larger. But we are here to state the situation as it is, and the fact that we have made profits during the last twenty-five years in dividends paid and Rest accumulated of over eleven million dollars is a sufficient achievement, we think, to meet your approval. We believe we are safe in saying that no Canadian bank of the larger class can show such a satisfactory record in its first quarter-century.

We enter upon our second quarter-century with assets of over \$27,000,000, with a large and steadily increasing business, with many highly valued customers and important connections, with an able and well organized staff, and I see no reason why we should not enter upon it full of gratitude for the past and full of hope for the future.

After the vice-president has seconded the resolution for the adoption of the report, the general manager will also address you, and if

after that any gentleman present desires any further information we shall be glad to furnish it.

The vice-president briefly seconded the resolution.

The general manager then spoke as follows:

GENERAL MANAGER'S ADDRESS.

From the report of the directors, now before the shareholders, it will be seen that we have again to congratulate ourselves upon a satisfactory year's business. The additions to the Rest account during the past five years have not been made, as we have frequently assured the shareholders, until by the most painstaking valuation of our assets we have found ourselves warranted in doing so. The business of banking has not been marked during the year by exceptional risk in the conditions under which our money has been lent, but on the other hand the profits have been only moderately satisfactory. During the entire year we have been compelled at several points, owing to the competition of other banks, to pay too high a rate for deposits, but this has now been partially remedied, although present rates are still higher than the money market at present justifies. For the first eight or nine months of our banking year, however, loaning rates were on a satisfactory basis, but at the moment there is certainly an uncomfortable amount of money which finds employment only in loans on securities. Should this continue into the autumn and winter months it will considerably curtail banking profits during the ensuing year, unless the interest rate on deposits is still further reduced.

DEPOSITS.

A year ago we drew your attention to the large increase in our deposits, expressing the feeling that the growth was in part probably temporary, but this year we have again to report a large gain, our deposits having reached a total of seventeen millions, nearly two millions in excess of last year. This—with our capital, circulation and other resources—brings the entire fund we have to administer up to twenty-seven million dollars, a very large sum, the safe and profitable employment of which is indeed a matter of incessant care and anxiety.

CROPS.

In the midst of our discontent a year ago we we all hoped for a bountiful crop, looking to that as a panacea for all commercial ills. We are indeed apt to think that if nature would but do something unusual for our benefit all troubles would disappear. We have had a magnificent harvest, and nature, in connection with all agricultural pursuits, did her best for us, but it is doubtful if we grumble any the less. It is true that a very large amount of grain was held over by farmers in Ontario and in the North-West, and the effect on trade of the marketing of this has yet to be experienced.

However, trade and clearing-house returns in both the United States and Canada show that the volume of business has increased and is larger under many heads than in any previous year. Debts also have been better paid, but it must be admitted that whether the volume has been kept up or not, many branches have been unremunerative.

In wheat and other cereals and in cattle the farmer has profited, but the dealer has bought all along on a falling market. In the egg trade the prices paid by shippers were too high, being not very much lower than before the McKinley tariff. Still there is no longer any doubt as to ability to send Canadian eggs in prime condition to Great Britain and to sell them at a fair price. The distance has been proved to be no practical difficulty. But the business apparently requires greater skill and more capital than many of our shippers possess, and it is to be hoped, in the interest of such an important trade, that it will be conducted hereafter mainly by men of tried capacity. The check caused by the United States tariff is very considerable, exports having fallen from an average, for several years, of thirteen or fourteen million dozens to eight million dozens. If the farmer can, however, make a profit at the prices being paid this season, the volume should soon rise to the old figures. Our manufacture of cheese again exceeds any previous season. For the year ending 31st March our export reached 111,000,000 lbs., valued at nearly \$11,000,000, an advance on the last season of a million and a quarter dollars. This was again accompanied by a falling off in the exports from the United States, amounting this year to nearly a mil-