

REPORT OF THE DIRECTORS
OF THE
Canada Permanent Building & Savings Society,
FOR THE YEAR 1870.

The Board of Directors have great satisfaction in laying before the Shareholders the duly audited Financial Statement of the Sixteenth Year of the Society's operations, exhibiting as it does evidences of the continued prosperity and advancement of the Institution.

The year just closed has been characterised by great commercial and industrial activity throughout Ontario, by an unusual demand for house accommodation in cities and towns, which has been partially met by the erection of far more than the average number of buildings, by an increase in the number of sales, and a general advance in the selling value of farms as well as town property, and, notwithstanding the deficiency in the wheat crop, by the steady improvement and generally prosperous condition of the agricultural interests of the Province.

As a consequence of this state of things there has been a steady and active demand for loans upon satisfactory security, while as a general rule, to which the exceptions are comparatively unimportant, the repayments from borrowers have been kept up with average punctuality. 1,118 applications for Loans were received, amounting to \$758,500, and of these 979 were partially or in full accepted. The number of Loans actually effected was 926, amounting to \$639,416.

In accordance with the policy which has been kept in view from the beginning, of gradually, and as the circumstances of the country and of the Society warranted, diminishing the cost and increasing the facilities for repaying Mortgage Loans, in May last, for the third time, a reduction in the rate of interest on loans was determined upon, and at the same time the choice of term for repayment of the principal was extended to twenty years. This reduction places the terms of this Society at a lower point than was ever before reached in this country by any similar Society, and together with the extension in time, brings down the annual instalment required to redeem a loan to very little more than has been frequently paid to other lenders for interest alone. In fact, instances have occurred during the year where mortgages paid off by loans from the Society were drawing interest at a higher rate per cent. than the Society's instalment of interest and principal combined.

The Cash Receipts for the year amount to about \$1,200,000. Of this sum \$357,501 were received at interest from Depositors, and \$917,169 were repayments of principal and interest upon Mortgage Loans.

Early in the year the Directors took into consideration the question referred to in last Report, of increasing the Society's Capital, which it was eventually decided to do, and new accumulating shares in the proportion of one to every two old Shares were offered to the Stockholders at par, payable by instalments in four years. The required amount was all taken, and the sum of \$200,192 has been paid thereon. This issue increases the Share Capital of the Society to \$1,500,000.

Two dividends of five and five and one-half per cent. respectively upon the Capital Stock were declared for the year, without trenching upon the profits derived from the Reserve Funds, which have been added thereto. Before issuing the new Shares an investigation of the securities was made with a view to an adjustment of the amounts at credit of the Reserve and Contingent Funds respectively, and the Reserve Fund was increased to \$200,000, as on 1st July last, and now stands at rather more than twenty per cent. upon the Capital Stock. The Contingent Fund is maintained at an amount believed to be sufficient to guard against any known or probable contingency.

Finding that the increasing business of the Society required larger accommodation than their Offices afforded, arrangements were made for leasing the adjoining premises for a term of years; and at a comparatively small expense, the necessary alterations have been made, which give the Society their present spacious and handsome premises.

All which is respectfully submitted.

J. HERBERT MASON,
Secretary and Treasurer.

JOSEPH D. RIDOUT,
President.