

THE STERLING BANK OF CANADA

Statement of the Results of the Business of the Bank for the Year Ending 30th April, 1913, Given at the Annual General Meeting of the Shareholders Held at the Head Office, Toronto, on Tuesday, 20th of May, 1913.

PROFIT AND LOSS ACCOUNT.

Balance of Profit and Loss, April 30, 1912.....	\$ 76,536.24
Profits for the year ending April 30, 1913, after deducting charges of management, etc.....	113,400.87
Making a total of	\$189,937.11
Appropriated as follows:—	
Dividend 1½%, August 15, 1912.....	\$14,966.34
Dividend 1½%, November 15, 1912.....	15,167.72
Dividend 1½%, February 15, 1913.....	15,650.69
Dividend 1½%, May 15, 1913.....	16,491.44
Transferred to Contingent Account as appropriation for Bank Premises, Investments, etc.	30,000.00
Balance carried forward	97,660.92
.....	\$189,937.11

RESERVE FUND.

Balance brought forward	\$300,000.00
RESERVE FUND AND UNDIVIDED PROFITS.	
Reserve Fund	\$300,000.00
Balance at credit of Profit and Loss Account.....	97,660.92
TOTAL REST AND UNDIVIDED PROFITS.....	\$397,660.92

GENERAL STATEMENT.

LIABILITIES.

Notes in Circulation	\$ 944,015.00
Deposits not bearing interest.....	\$1,650,296.42
Deposits bearing interest (including interest accrued to date).....	4,855,437.31
Due to other Banks in Canada.....	6,505,733.73
Total Liabilities to the Public	\$7,565,911.56
Capital Stock paid up.....	\$1,117,610.98
Reserve Fund	300,000.00
Balance of Profits carried forward...	97,660.92
Dividend No. 25, payable May 15....	16,491.44
Former Dividends unclaimed.....	1,859.04
.....	1,533,622.38
ASSETS.	
Specie	\$ 43,601.82
Dominion Government Demand Notes	818,156.00
Deposit with Dominion Government for security of Note Circulation.	48,752.00
Notes of and Cheques on other Banks	695,283.07
Balances due from other Banks in Canada	10,000.00
Balances due from Agents in the United Kingdom	45,597.38
Balances due from other Banks elsewhere than in Canada and the United Kingdom	154,556.14
Railway and other Bonds, Debentures and Stocks	\$1,815,946.41
Call and Short Loans on Stocks and Bonds in Canada.....	683,951.15
Bills Discounted and Advances Current	931,595.34
Overdue Debts (estimated loss provided for)	\$3,431,492.90
Bank Premises, Safes and Office Furniture	\$5,285,573.76
Mortgages on Real Estate sold by the Bank	11,036.00
Other Assets not included under foregoing heads	303,805.77
.....	15,000.00
.....	52,625.51
.....	5,668,041.04
.....	\$9,099,533.94

F. W. BROUGHAL, General Manager.
Toronto, April 30, 1913.

I have examined the General Balance Sheet as at April 30, 1913, and compared it with the Head Office Books at Toronto, and the certified returns from the Branches, and, in my opinion, this is a correct and a conservative statement of the condition of the Bank as at that date.

SHERMAN E. TOWNSEND,
Chartered Accountant.

In moving the adoption of the report the President, Mr. G. T. Somers, said:—

It is my intention to confine my remarks more particularly to a consideration of our own affairs as outlined in the report which you have just heard.

The profits amount to \$113,400.87, equal to 10.92 per cent. on our average paid-up capital, and provide sufficient for the dividends of \$62,276.19, leaving the ample sum of \$51,124.68 for other purposes. Following the conservative policy adopted last year, \$30,000 of this sum has been appropriated for reduction of bank premises and other assets, and the balance, amounting to \$21,124.68, has been added to Profit and Loss Account, bringing this up to the substantial sum of \$97,660.92. This, with our Rest Account of \$300,000, provides added protection for our shareholders of \$397,660.92, or over 35 per cent. of our paid-up capital.

PREMISES.

The opening of branches in Saskatchewan, at Regina and Piapot, and at Yonge and Carlton Streets, Toronto, was done after careful consideration, and you will be pleased to know that this expansion has been well justified, the business exceeding our expectations.

The new premises acquired in Montreal and Winnipeg, of which you were advised last year, have proven satisfactory. The business at these points has been excellent.

It was also deemed advisable to improve the position at St. Catharines, and to this end a site was obtained, and a good, substantial office was erected.

It is our policy to continue the expansion of the bank carefully, opening branches at such points as, after thorough investigation, seem desirable, and at such times as our resources will permit.

Our premises account now stands at \$303,805.77, and we believe this to be a conservative valuation.

If you will now refer to the General Statement you will find the deposits total \$6,505,733.73, an increase for the year of about \$1,200,000, which is most encouraging, in view of the monetary conditions during the past year, and we take it as an indication of the confidence in which the institution is held.

Our notes in circulation are \$944,015. A year or two ago it was a problem to keep our circulation out. The reverse is the case now; our business has expanded to such an extent that we have difficulty in supplying the demand.

You will note that our cash assets represent approximately 24 per cent. of our liabilities to the public, and that our readily available assets of \$3,431,492.90 equal over 45 per cent. of the above liabilities, and we feel that our general resources are in excellent condition to meet any demand.

Our total assets have increased from \$7,893,375.89 to \$9,099,533.94.

The general expansion of our business has been considerable, and most satisfactory, and we feel that you have every reason to be pleased with the results.

The revision of the Bank Act is now before Parliament, and the important question of bank inspection is to receive final consideration. It has been a most difficult matter to extract from the mass of evidence submitted a method which in practice will prove efficient.

While we know that no external inspection can be as thorough as our own, we believe in the theory of an independent audit, and think the present proposal before the House to be the most workable and satisfactory yet devised, and believe it will be productive of good results.

Your directors, being in sympathy with this idea, appointed Mr. Sherman E. Townsend, chartered accountant, to audit the statement now before you, and you will find his certificate appended thereto, and we will now ask the shareholders to appoint their auditor for the ensuing year.

In regard to the future of the bank, I feel that the present policy of conservatism should be rigidly maintained, as it is to this policy I attribute our successful position to-day. Monetary conditions have been greatly disturbed for some time, and caution is most necessary to avoid over-extension of credits, but the future of this country is assured, and the present check on business will do no harm. In any event, our position entitles us to contemplate the year ahead with equanimity and confidence.

We have now nearly 2,000 shareholders, and I wish again to draw your attention to the value of active co-operation between yourselves and the officials of the bank, and to thank you for your aid in the past, and ask for its continuance.

In conclusion, we wish to place on record our appreciation of the services of the staff, whose loyalty and efficiency has made possible the excellent showing in our statement.

Among those present at the meeting were: Alexander Mackenzie, R. W. Eaton, A. E. Kirkpatrick, W. F. Maclean, M.P., G. T. Somers, W. K. George, E. B. Ryckman, K.C., J. H. Francis of Thornhill, Thomas Reid, Edwin J. Howes, Noel Marshall, C. W. Kerr, Sidney Jones, Hiram Keffer of Maple, H. Wilberforce Aikins, M.D., G.O. Somers, Wm. Dineen, A. H. Walker, Hugh McKinnon of Star, E. W. Wright.