

Report of the Directors.

The directors beg to submit their annual report to the shareholders for the six months ended November 30th, 1904: The balance at credit of profit and loss account,

May 31st, 1904, was	\$ 67,080 95
The profits for the six months ended November 30th, 1904, after deducting charges of management and making provision for bad and doubtful debts are	182,824 09
Premium received on new stock	4,505 00
	<u>\$254,410 04</u>

From which has been declared:

Dividend, 5 per cent., payable Dec. 1st, 1904	\$111,733 76
Carried to reserve fund from profits	\$95,495 00
Carried to reserve fund from premium on new stock, as above	4,505 00
	<u>\$100,000 00</u>
Allowance to ex-president, authorized by shareholders (for six months)	2,500 00
	<u>\$214,233 76</u>

Balance of profit and loss carried forward. \$ 40,176 28

The directors desire to remind the shareholders that, by resolution passed at the last annual meeting, the date of future annual general meetings was changed to the third Monday in January.

The accounts herewith submitted, therefore, embrace a period of six months only, being from May 31st to November 30th.

The directors believe that the results will commend themselves favorably to the shareholders.

The directors report, with sorrow, the death of their late colleague, Arthur B. Lee, of Toronto.

WM. GIBSON, President.

Hamilton, December 12th, 1904.

Liabilities.

To the Public—

Notes of bank in circulation	\$ 2,017,511 00
Deposits bearing interest	\$15,097,401 70
Deposits not bearing interest	3,858,239 55
Amount reserved for interest due depositors	14,723 82
	<u>\$19,100,365 07</u>
Balances due to other banks in Canada	37,621 61
Balances due to agents of the bank in Great Britain	845,549 85
Dividend No. 64, payable December 1st, 1904	\$11,733 76
Former dividends unpaid	609 00
	<u>\$ 112,342 76</u>
	<u>\$22,113,390 29</u>

To the Shareholders—

Capital stock	\$2,235,280 00
Reserve fund	2,100,000 00
Amount reserved for rebate of interest on current bills discounted	65,000 00
Balance of profits carried forward	40,176 28
	<u>\$4 440,456 28</u>
	<u>\$26,553,846 57</u>

Assets.

Gold and silver coin	\$ 414,660 29
Dominion Government notes	1,880,223 00
Deposit with the Dominion Government as security for note circulation	110,000 00
Notes of and checks on other banks	1,067,805 43
Balances due from other banks in Canada and the United States	1,219,851 70
Canadian and British Government, municipal, railway and other securities	3,059,010 42
Loans at call, or short call, on negotiable securities	1,568,142 36
	<u>\$ 9,319,693 20</u>
Notes discounted and advances current	16,388,616 58
Notes discounted, etc, overdue (estimated loss provided for)	55,299 59
Bank premises, office furniture, safes, etc	677,464 46
Real estate (other than bank premises), mortgages, etc.	46,813 16
Other assets, not included under foregoing heads	65,959 58
	<u>\$20,553,846 57</u>

J. TURNBULL,
General Manager.

Bank of Hamilton, Hamilton, Nov. 30th, 1904.

Senator Gibson, in moving the adoption of the report, said: It is very gratifying to the board of directors, and I am sure it will be to the shareholders, that in six months the assets of the bank have increased nearly two million dollars, or, to be more exact, \$1,840,000. It must, indeed, be gratifying to those gentlemen who have been connected with the institution since its inception and who are with us to-day, to see that our total assets have reached over \$26,500,000 by this increase of \$1,800,000. As you know, this has been what is called the lean half-year, yet, notwithstanding that, we have been able to report a profit at the rate of 16 1-3 per cent. per annum on the capital stock of the bank in that time. If you look at the first page of the report you will see that we have carried to reserve over \$95,000, which, together with the \$5,000 premium on new stock, makes a total of \$100,000 added to the rest. This addition to our reserve leaves us, in round figures, only \$135,000 more to carry to that account to make our reserve equal to our total capital. While this bank is not much given to prophesying, I think I can safely say that by the next annual meeting we will see our reserve and our capital the same. That will indeed be a proud position to have attained. (Applause.)

It cannot be denied that in the general prosperity of the country we, as a bank, must also expand, and, while we are not rushing into every new field, the directors are carefully considering every point and selecting such as they consider will prove sound and permanent. We have had under consideration, and have purchased a new site in Toronto. We have invested in good property there, and I am sure that the shareholders will approve. In the property at the corner of Spadina Ave. and King St. we have an excellent investment and a good class of tenants. We also purchased property in the electrical city of Niagara Falls, to meet the increasing demands of our business there, which realizes handsomely on the investment.

In the new districts of the North-West we are pursuing the same careful policy in making extensions from time to time, and our investments in bank premises there have resulted entirely satisfactory to the board.

Since our last meeting, indeed, shortly after we last met here, we lost one of our directors, A. B. Lee, Toronto, and our board felt that the importance of having a representative in that important city should not be overlooked. The members of the board and the shareholders are to be congratulated upon the man whose services we were able to secure, Mr. C. C. Dalton, a gentleman who has made a success of his own business, and who, I am sure, will be approved of at this annual meeting.

I regret also that our friend and fellow-director, Cyrus Birge, met with a serious loss in the death of his wife, and it is due to him that the cause of his absence should be mentioned at this meeting and our sympathy extended to him.

I need not speak of the loyalty of the staff and General Manager, for the General Manager is as loyal to them as they are to him, and both are at all times loyal to the bank. I can assure you with great satisfaction that the greatest harmony exists between the board, the General Manager and the staff.

For the six months since our last meeting the bank has paid a dividend at the rate of ten per cent. per annum, and I am sure that everyone will be satisfied with the half-year's results.

Mr. Gibson concluded by moving, seconded by Mr. John Proctor, the adoption of the report, which was carried.

Moved by Mr. Hendrie, seconded by Mr. F. W. Gates: "That the thanks of this meeting be given to the president and directors for their services during the past half-year."

Both mover and seconder spoke in congratulatory terms in presenting the resolution, and the chairman called upon Colonel J. S. Hendrie to reply on behalf of the Board. As the youngest member of the Board, he was much pleased to reply to the resolution, particularly as it was moved and seconded by two of the oldest gentlemen present, and two of the original stockholders. He could not add much to what had been said, except a few words in regard to securities. He had submitted the American securities to a very high authority, and the report which he had received upon them was most satisfactory. It was to the effect that better securities could not be held.

Mr. Adam Brown moved, seconded by Mr. John A. Bruce: "That the thanks of this meeting be given to the general manager, inspectors, agents, and other officers of the bank for the efficient performance of their respective duties."

The resolution was unanimously adopted, and Mr. Turnbull replied.

On motion of Mr. Wm. Hendrie, seconded by Mr. F. W. Gates, and carried, the president was asked to cast one ballot for the board of directors, and the following were declared elected: Messrs. Hon. William Gibson, John Proctor, John S. Hendrie, M.L.A.; George Rutherford, J. Turnbull, C. A. Birge and C. C. Dalton.

At a subsequent meeting of the directors, Hon. Wm. Gibson was re-elected president, and Mr. J. Turnbull, vice-president.