

UNION BANK OF CANADA

51st Annual General Meeting, Winnipeg, January 12th, 1916

PROFIT AND LOSS ACCOUNT

Balance at credit of account, 30th November, 1914	\$ 103,019.51
Net profits, for the year, after deducting expenses of management, interest due depositors, reserving for interest and exchange, and making provision for bad and doubtful debts and for rebate on bills under discount, have amounted to	659,688.01
	\$762,707.52
Which has been applied as follows:	
Dividend No. 112, 2% paid 1st March, 1915	\$ 100,000.00
Dividend No. 113, 2% paid 1st June, 1915	100,000.00
Dividend No. 114, 2% paid 1st September, 1915	100,000.00
Dividend No. 115, 2% paid 1st December, 1915	100,000.00
Bonus of 1% payable 1st March, 1916, to shareholders of record as on 14th February, 1916	50,000.00
Transferred to Contingent Account	150,000.00
Contribution to Officers' Pension Fund	10,000.00
War Tax on Bank Note Circulation to 30th November, 1915	45,730.77
Balance of Profits carried forward	106,976.75
	\$762,707.52

LIABILITIES

Capital Stock	\$ 5,000,000.00
Reserve Account	\$ 3,100,000.00
Balance of Profit and Loss Account carried forward	106,976.75
	\$ 3,506,976.75
Unclaimed Dividends	4,716.28
Dividend No. 115	100,000.00
Bonus payable 1st March, 1916, to Shareholders of record as on 14th February, 1916	50,000.00
	3,661,693.03
	\$ 8,661,693.03
Notes of the Bank in Circulation	\$ 7,673,659.00
Deposits not bearing interest	21,999,832.00
Deposits bearing interest	50,685,304.63
Balances due to other Banks in Canada	205,629.00
Balances due to Banks and Banking Correspondents elsewhere than in Canada	981,405.99
Bills payable	105,196.13
	\$1,654,926.75
Advances under Letters of Credit	343,585.45
Liabilities not included in the foregoing	5,758.47
	\$90,663,063.70

ASSETS

Gold and Silver Coin	\$ 1,181,583.56
Dominion Government Notes	7,775,511.00
	\$ 9,257,094.56
Deposit with the Minister of Finance for the purposes of the Circulation Fund	260,000.00
Deposit in the Central Gold Reserves	2,800,000.00
Notes of other Banks	706,712.00
Cash on other Banks	3,556,491.45
Balances due by other Banks in Canada	79,286.08
Balances due by Banks and Banking Correspondents elsewhere than in Canada	6,033,345.88
Dominion and Provincial Government Securities not exceeding market value	685,707.50
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities other than Canadian	395,349.98
Railway and other Bonds, Debentures and Stocks not exceeding market value	3,431,139.73
Call and Short (not exceeding 30 days) Loans in Canada, on Bonds, Debentures and Stocks	7,746,570.14
Call and Short (not exceeding 30 days) Loans elsewhere than in Canada	4,183,657.69
	\$39,138,385.31
Other Current Loans and Discounts in Canada (less rebate of interest)	\$8,941,315.32
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest)	608,602.92
Liabilities of customers under Letters of Credit as per contra	343,585.45
Real Estate other than Bank Premises	234,877.96
Mortgages on Real Estate sold by the Bank	109,379.14
Overdue Debts, estimated loss provided for	220,466.67
Bank Premises, at not more than cost, less amounts written off	1,057,443.22
Other Assets not included in the foregoing	9,007.71
	\$90,663,063.70

JOHN GALT, President.

G. H. BALFOUR, General Manager.

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF THE UNION BANK OF CANADA.

In accordance with the provisions of sub-sections 19 and 20 of Section 56 of the Bank Act, we report to the Shareholders as follows:

We have audited the above Balance Sheet with the books and vouchers at Head Office and with the certified returns from the branches.

We have obtained all the information and explanations that we have required, and are of the opinion that the transactions of the Bank which have come under our notice have been within the powers of the Bank.

In addition to our verification, at the 30th November, we have, during the year, checked the cash and verified the securities representing the investments of the Bank at its chief office and principal branches and found them to be in agreement with the entries in the books of the Bank relating thereto.

In our opinion the Balance Sheet is properly drawn up so as to exhibit a true and

correct view of the state of the affairs of the Bank, according to the best of our information and the explanations given to us, and as shown by the books of the Bank.

T. HARRY WEBB, E. S. READ, C. R. HEGAN,
Auditors, of the firm of

WEBB, READ, HEGAN, CALLINGHAM & CO.,
Winnipeg, 20th December, 1915. Chartered Accountants.

In the absence of the President, Mr. John Galt, the Chair was taken by Mr. R. T. Riley, Vice-President.

The Vice-President's Address.

In moving the adoption of the Report, the Vice-President, Mr. R. T. Riley, spoke in part, as follows:

The statement which we have placed before you today discloses a condition of the Bank which should be very gratifying considering that we are in the midst of a war which has caused an unparalleled dislocation of the world's commerce and finances.

The finances of the Dominion have been conducted during the past year with comparatively little help from outside, and although we shall have to make further borrowings for war purposes, there need be no misgivings as to our ability to repay such obligations.

Trade conditions in Canada have distinctly improved. Orders for war materials and supplies have exceeded all expectations, and the decrease of foreign trade is now in our favor and likely to continue so for some time, as there is still a lot of grain to be exported from the crop of 1915.

Our share of the cost of the war has not yet fallen upon us, and it is the paramount duty of every corporation and private individual to exercise the strictest economy, both in public and private life, so that when we are called upon to pay our share we shall not be found unprepared.

Canada has every cause for thankfulness that we have been blessed with a bountiful harvest beyond the expectations of the most optimistic, and as a result the farmers of the West are today in a better and safer condition than ever before.

With reference to conditions in England, our London Manager reports that the effect of the war on general business in Great Britain has been confusing, and that while there have been no repetitions of the financial upheavals of the previous year, the burden of hostilities has made great inroads into accumulated wealth, and further disorganized the complex industrial and financial life of the nation.

The United States for the time being has become the money market of the world, and it is pleasing to note the satisfactory manner in which the recent Canadian loan of \$45,000,000 has been received, as well as various Provincial, Municipal and Railway loans aggregating in the total about \$140,000,000. It is the duty of every financial institution to see that all offerings should be thoroughly sound, and of the highest character.

Our policy for the coming year will remain the same. We shall be conservative, at the same time extending to our customers as liberal treatment as conditions and sound banking will warrant.

GENERAL MANAGER'S ADDRESS

The year just closed has been one of much anxiety to bankers, and we are pleased to have come through it in such a satisfactory manner.

Reserves. Referring more particularly to the statement which has been presented to you the percentage of Liquid Assets to total Liabilities to the public a mount to 47.92 per cent, as compared with 36.27 per cent last year.

Profits. The profits for the year were \$659,688.01. This is \$52,752.47 less than the previous year, which, under trying and abnormal conditions, and the maintaining of such large idle reserves must be regarded as satisfactory. They have been sufficient to pay the usual dividend of 8 per cent, and a bonus of 1 per cent, making a grant of \$10,000 to the Officers' Pension Fund, providing for \$45,730.77 War Tax on circulation and set aside \$150,000 for contingencies, besides having made adequate provision for all losses.

Circulation. Notes of the Bank in circulation have increased \$1,300,000.

Deposits. Total deposits of \$72,635,000 show a gratifying increase of \$9,240,000. **Deposits Due to and by Other Banks.** Balances due by Banks outside of Canada show an increase of \$3,050,000 over 1914.

Gold and Silver Coin and Dominion Government Notes amount to \$9,257,000 which is \$2,140,000 more than in the previous statement.

Cheques on other Banks amounted to \$3,556,000 being \$1,120,000 greater than last year.

Investments. There is little change in the Bank's Investments. The increase of \$115,000 represents the initial payment on the Banks subscription to Canada's first War Loan of \$100,000,000. The amount allotted to this Bank was \$986,400, which has since been fully paid for.

Call and Short Loans. Call and Short Loans in Canada are \$4,624,000 higher and are against bonds of a high order.

Current Loans and Discounts. Current Loans and Discounts in Canada have been reduced by \$1,925,000.

Total Assets. The Total Assets of the Bank have risen to the large amount of \$90,663,000 as against \$81,561,000 last year, an increase of \$9,100,000.

General Remarks. Enforced liquidation has been in progress throughout Canada for the past two years, but the strain has been lighter than was anticipated. This period will be extended until normal conditions are resumed, but the future is faced with feelings of hopefulness and every confidence. The chief factors which have contributed to this lightening of our burdens are thrift, strict economy, the lessening of expenditure on capital account, balance of trade with Great Britain being in Canada's favor and bountiful harvests.

The gratifying results of the past seasons' crops have enabled farmers to liquidate their obligations very largely, and every encouragement is being offered by Provincial Governments in Western Canada to go more extensively into mixed farming.

Staff. It will be of interest to our Shareholders to know that 315 members of our staff have volunteered for overseas military duty, of these, we regret to announce, nine have been killed in action, and to their sorrowing relatives our sympathy is extended; 21 have been wounded and 285 are still on active service. Too much praise cannot be extended to the 1,476 remaining members of the staff who are so loyally and cheerfully performing additional duties and working longer hours whilst their fellow clerks are fighting for the Empire.

Mr. E. L. Drewry seconded the motion for the adoption of the report.

The motion was then adopted.

Auditors, Messrs. T. Harry Webb, C.A.; E. S. Read, C.A., and C. R. Hegan, C.A., of the firm of Webb, Read, Hegan, Callingham and Company, were reappointed auditors.

The following were elected the Directors for the ensuing year:—Sir William Price, Messrs. John Galt, R. T. Riley, Geo. H. Thomson, E. L. Drewry, F. E. Kenaston, Wm. Shaw, W. R. Allan, M. Bull, Stephen Haas, Major-General John W. Carson, C.B.; J. S. Hough, K.C.; B. B. Cronyn, Hume Blake, K.C.; R. O. McCulloch.

At a subsequent meeting of the Board, Sir William Price was elected Honorary President; Mr. R. T. Riley and Mr. George H. Thomson, Vice-Presidents.

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