

REPORT OF THE DIRECTORS
OF THE
CANADA PERMANENT LOAN AND SAVINGS COMPANY
FOR THE YEAR 1899

It is with great satisfaction that the Directors of the Canada Permanent Loan and Savings Company submit to the Shareholders their Forty-fifth Annual Report, with the accompanying Statements of Profit and Loss, and Assets and Liabilities, duly certified by the Auditors, who as usual have examined the books and accounts of the Company every month. In these Statements the Assets have been taken at the valuation placed on them by the Amalgamation Valuers.

According to the Statements published for the preceding year, the Company had in addition to its Capital Stock a Reserve Fund of \$1,200,000, as well as a Contingent Fund to cover possible depreciation of \$160,058. Since that time payments have been received on a number of accounts then considered doubtful, and many properties have been sold at prices considerably above the value at which they had been estimated. During the year, under the direction of the Amalgamation Board referred to in last Report, Committees of four expert Valuers, one appointed by each Company, made a thorough examination of the securities held by the respective Companies, and it must be gratifying to the Shareholders and Officers of this Company to know that our published statements were fully confirmed and that, so far from its being necessary to reduce our Reserve Fund, as the result of that examination, it was found that the provision we had made in our Contingent Fund for possible depreciation was so much larger than was necessary, that \$100,000 from that Fund could be safely added to the Reserve. While this very pleasing result is in some measure due to the general increase of prosperity, this finding of a Committee of experienced Appraisers, three-fourths of whom were the appointees of the other Companies, each of whose first duty it was to protect the interests of the Company he represented, furnishes the most complete and unquestionable evidence, not only of the high character of our securities and of the conservative policy pursued in estimating the value of its Assets, but also of the care exercised in making loans, and of the watchfulness and ability displayed by the officers of the Company in looking after its extended business. This sum of \$100,000 added to the Reserve, as at 31st December, 1898, the date from which the Amalgamation is to take effect, increased that Fund to \$1,300,000, an amount equal to Fifty per cent. of the paid-up Capital Stock.

The net earnings of the past year, after deducting interest on borrowed Capital and all charges and expenses, amounted to \$263,486; somewhat more than ten per cent. on the paid-up Capital. From this sum \$156,000 were paid to Shareholders in two half-yearly dividends of three per cent. each and \$1,906 were paid for the Shareholders' income tax thereon. The remaining sum of \$105,586, representing the surplus earnings of the year, stands at the credit of Profit and Loss. Considering that the time and attention of the Officers were so much occupied with duties connected with the proposed changes, this result of the business of last year must be considered very gratifying.

The cash receipts from Mortgages continue to be most satisfactory. It has always been our policy to facilitate the paying off of mortgage loans by requiring repayment in small periodical instalments. The receipts, therefore, were not only for interest but included many payments in reduction of principal.

The rate of interest obtainable on choice securities has somewhat improved lately, but is still low, and competition among lenders is very keen.

The Liabilities in respect of Deposits and of Sterling Debentures were materially reduced during last year. The Debentures renewed and the new money received have been at lower rates of interest.

The amount held on Currency Debentures was increased during the year.

The Directors feel that it would be proper for the Company, as one of the Financial Institutions of the country, to do something in aid of the Canadian Patriotic Fund, and recommend a vote of \$2,000 to that object.

Arrangements for taking over the Assets and business of the four Companies named in last year's Report by the Canada Permanent and Western Canada Mortgage Corporation are now nearly completed. Little remains to be done but to call together the Shareholders of the respective Companies to consider the ratification of the Agreement made provisionally on their behalf by the Directors of the several Companies. If the Agreement be confirmed, as doubtless it will, this is the last Report the Directors of this Company will have the privilege of submitting, and they avail themselves of the opportunity to congratulate the Shareholders on the widely extended field of usefulness and the unequalled prosperity which this Company has enjoyed during the whole of the forty-five years of its existence, and to express the hope that the new Company, which will begin under such very favorable conditions, and in which the Shareholders of this Company will have so large an interest, may have an equally successful career.

All which is respectfully submitted.

J. HERBERT MASON,
President.

TORONTO, March 7th, 1900.