

# The Bank of British North America

## SEVENTY-SIXTH ANNUAL REPORT AND BALANCE SHEET

Report of the Directors of the Bank of British North America, presented to the Proprietors at their Seventy-Sixth Yearly General Meeting, on Tuesday, March 5th, 1912.

The Court of Directors submits the accompanying Balance Sheet to the 30th December last.

It will be seen that the profits for the year, including **\$83,712.24** brought forward from last account, amount to **\$715,829.57**, which the Directors propose to distribute as follows:

In the payment of a Dividend of 40s per share. . . . . **\$194,666.67**  
In the payment of a Bonus of 10s. per share. . . . . **48,666.66**

Both payable less Income Tax, on the 4th April next.

Transferring to the Reserve Fund. . . . . **121,666.67**  
Transferring to Bank Premises Account. . . . . **48,666.66**

And in the payment of a Bonus of 5 per cent. to the Staff, about. . . . . **29,200.00**  
Dividend paid October, 1911. . . . . **146,000.00**

Leaving a balance to be carried forward of. . . . . **94,018.71**

The Court of Directors have decided to pay the present and future Dividends and Bonuses "less Income Tax" instead of "free of Income Tax" as formerly. This practice is now generally adopted by all the principal Banks in the United Kingdom.

The above Dividend and Bonus will make a distribution of 8 per cent. for the year.

The Dividend Warrants will be remitted to the Proprietors on the 3rd April next.

Since the last Report, 30th June, 1911, a Branch has been opened at Lytton, and Sub-branches at Verdun and Kerrisdale.

The following appropriations from the Profit and Loss Account have been made for the benefit of the Staff, viz.:—

To the Officers' Widows' and Orphans' Fund. . . . . **\$ 6,840.43**

To the Officers' Pension Fund. . . . . **25,130.44**

To the Officers' Life Insurance Fund. . . . . **973.33**

London, 20th February, 1912.

### Proceedings of the Seventy-Sixth Yearly General Meeting, on Tuesday, March 5th, 1912.

The Secretary (Mr. A. G. Wallis) having read the notice convening the meeting.

The Chairman (Mr. E. A. Hoare) said: Gentlemen, before I make any reference to the report and balance sheet which is in your hands to-day, I must say a few words respecting the report and balance-sheet of the 30th June, 1911, because the report contained two paragraphs of special importance. First, the liability under guarantee for \$209,000 which the Bank assumed in October, 1906, in connection with the liquidation of the Ontario Bank, now disappears from the balance sheet. No claim arose under the guarantee. This you no doubt read with satisfaction, but the second paragraph to which I draw your attention was of still greater importance. It was as follows:—"A circular was issued to the proprietors on June 28, informing them that the Royal Charter had been extended for a period of ten years to July 1, 1921." At our meeting last year the Chairman informed you that application had been made to the Lords of the Treasury for this extension, and that there was no reason to expect that the application would be any less favourably dealt with than on former occasions and it was a pleasure to the Court to be able to inform the proprietors by circular on June 28 that these anticipations had been realized. And now, without reading the report, to which I shall refer in detail as I proceed, I will pass on to point out the principal changes in the figures submitted to you to-day compared with those of a year ago. The reserve fund is \$2,774,000, compared with \$2,652,333 in 1910—an increase of \$121,666. It has often been explained to you before that as our responsibilities and our liabilities increase, it is necessary to keep on building up the reserve, and we know that you approve of that policy. The deposits show an increase of \$4,000,400, a larger increase than you are accustomed to see; but it is right that I should mention that there are included in that total certain special deposits which I do not expect to be permanent. Notes in circulation amount to \$4,411,594, or an increase of \$661,097. During the year there has been an increasing demand for circulation, and in the harvest

months we reached a record total. To enable us to avail ourselves of our full privileges under the Bank Act, we increased our investment in Dominion of Canada Bonds, to which I shall refer again when I speak of our investments, and we needed them all. Bills payable and other liabilities show an increase of \$4,097,733, but there is nothing special to say under this heading. On the other side of the account, cash and specie at bankers and in hand amount to \$7,173,466—an increase of \$1,362,666. This cash item represents 41.75 per cent. of our immediate liabilities—that is, deposits payable on demand and note circulation. Cash at call and short notice at \$10,064,266 shows an increase of \$983,066, and the total of these two items amounting to \$17,242,600, actually exceeds the total of the immediate liabilities to which I have just referred. Investments: Our holding in Exchequer Bonds stands at the same total as last year. Dominion of Canada Bonds show an increase of \$374,733. These purchases were made from time to time in anticipation of the demand for circulation which subsequently took place. There is no object in adding further to this investment, for we have now reached the limit which we are allowed to use for the purpose of our circulation by the Bank Act. Other investments at \$111,933 show a decrease of \$43,800. You have probably noticed the gradual reduction in the total of the other investments. Several years have elapsed since the Court decided to exchange the other investments for Dominion of Canada Bonds. Ten years ago the balance-sheet of December, 1901, showed that the other investments stood at \$1,187,466, whilst we held no Dominion of Canada Bonds at all. To-day as you see, these entries are practically reversed. The intervening years have not been favourable for the sale of high-class securities, and it has required much patient watchfulness to achieve this result. Now that this is accomplished we are well satisfied, and I venture to say that in this matter of investments our position is most enviable, for, owing to the policy decided upon by the Court in 1909—which I fully explained to you in my address of 1910—we enjoy complete immunity from the depreciation which has been so harassing to all the banks in the United Kingdom during recent years. Bills receivable, loans on security, and other accounts show an increase of \$6,015,000, and the total largely exceeds any previous records. Bank prem-