

British, Foreign and Colonial Public Securities and Canadian Municipal Securities.....	1,791,071 90
Railway and other Bonds, Debentures and Stocks not exceeding market value.....	16,104,763 57
Call and Short Loans (not exceeding 30 days) in Canada on Bonds, Debentures and Stocks	8,926,859 91
Call and Short Loans (not exceeding 30 days) elsewhere than in Canada	18,750,526 61
Deposit with the Minister of Finance for the purposes of the Circulation Fund	760,641 36
	<u>\$ 92,983,653 09</u>
Other Current Loans and Discounts in Canada (less rebate of interest)	132,168,482 26
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest) ..	10,419,594 36
Liabilities of Customers under Letters of Credit, as per contra	2,746,016 07
Overdue Debts (estimated loss provided for) ..	733,826 88
Real Estate other than Bank Premises (including the unsold balance of former premises of the Eastern Townships Bank)	\$1,252,344 80
Less mortgage assumed.....	100,000 00
	<u>1,152,344 80</u>
Mortgages on Real Estate sold by the Bank	382,002 93
Bank Premises at cost, less amounts written off	\$4,986,991 69
Less mortgage assumed on property recently purchased	300,000 00
	<u>4,686,991 69</u>
Other Assets not included in the foregoing..	91,486 56
	<u>\$245,364,398 64</u>

B. E. WALKER,

President.

ALEXANDER LAIRD,

General Manager.

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF THE CANADIAN BANK OF COMMERCE.

In accordance with the provisions of sub-sections 19 and 20 of Section 56 of the Bank Act, 1913, we report 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, and have obtained all the information and explanations that we have required, and we are of the opinion that the transactions of the Bank which have come under our notice have been within the powers of the Bank.

We have checked the cash and verified the securities representing the investments of the Bank at its chief office and principal branches at a date other than and in addition to the verification at 30th November, and found that they were 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, C.A.,
of Webb, Read, Hegan, Callingham & Co.

JAMES MARWICK, C.A.,
of Marwick, Mitchell, Peat & Co.

} Auditors.

Before moving the adoption of the report the President called upon the General Manager to address the shareholders:

The General Manager's Address.

When we had the pleasure of addressing you on the occasion of our annual meeting for 1913, we had every reason to look forward with apparently well-founded expectations that the year just ended would prove not less favorable than the preceding one. There was a movement during the first months of the year so world-wide in its scope as to lead many to infer that the drift of financial affairs towards a moderate prosperity had become unmistakable. The uneasiness, regarding the settlement of the Balkan question had

almost disappeared, and with the gradual adjustment of other political and international difficulties there was an apparent readiness to return to normal conditions. This enabled a large volume of securities to be marketed, which did much to relieve a very acute situation. As the season advanced the prospect of satisfactory crops and of fairly good returns from every legitimate enterprise should have assured a financial and industrial revival. Then came the outbreak of the European war, an event so tremendous in its import that at first we failed to realize the extent of the dislocation of business that it would entail, and the consequent hardship and loss to every conceivable interest the world over; yet we have stood the shock with remarkable fortitude and courage.

Considering all these untoward circumstances the report and statements now presented to you bring us the satisfaction that we have not labored in vain. In consequence of the extraordinary depreciation in the prices of all securities, we have made a careful revaluation on very strict lines; and having in the past been conservative and prudent with the disposition of our returns from this source, we were enabled to make all our adjustments without interfering with current profits. Our usual care has been exercised in providing for bad and doubtful debts, and with the return of more propitious times we should derive very important recoveries.

The Year's Profits.

The net profits for the year were \$2,668,233.29, a decrease of \$324,717 from last year, and amounted to 9.36 per cent. on the Capital and Rest combined. We were enabled to pay dividends amounting to \$1,800,000, these being at the usual rate of 10 per cent. per annum, with extra bonus dividends of 2 per cent. The regular appropriation for the Pension Fund required \$80,000, and subscriptions to Patriotic Funds amounted to \$55,000. We are carrying forward in Profit and Loss Account a balance of \$1,117,763.27, as against \$384,529.98 a year ago.

You will notice that no appropriation has been made in Bank Premises Account, which shows an increase over last year of \$405,510. This increase is mainly accounted for by the final payments on some of our larger buildings and by the sums expended in purchasing sites for a number of the smaller offices. As we indicated in the report presented to you in January, 1910, we have in the past endeavored to keep the figures of this account within 50 per cent. of the value of the properties which it covers.

During the past year we obtained from reliable outside experts an appraisal of all the premises belonging to or controlled by the Bank, instead of relying, as formerly, upon the best information available through our various managers; and the result of this indicates that the figures given in our balance sheet are well below the limit of 50 per cent., just referred to. This is a source of much gratification to us, emphasizing, as it does, the conservative estimates of our managers. In this connection we may add that the Bank owns and controls the stock of The Dominion Realty Company, Limited, by which Company our smaller buildings are erected and owned. This stock is carried on our books at the nominal value of \$1. The last annual statement of this Company, bearing even date with our own, shows a surplus of \$3,240,411.78.

Changes in Deposits.

The Bank's notes in circulation stood at \$14,942,557 at the close of our year, this account showing important fluctuations during the period under review, from a minimum in July of \$11,934,000 to a maximum in October of \$16,679,038. Our deposits decreased \$11,304,905, accounted for by a general reduction in current account balances, which is not unnatural under the circumstances; the ordinary deposits bearing interest show a decrease of only \$197,211, a remarkable exhibit when we consider the probable requirements of small depositors under existing conditions and the extraordinary opportunities which have offered for investing in first-class securities at remunerative rates. Bills Payable Account, representing our participation in international exchange transactions, amounted to \$3,924,151, being a reduction of \$5,591,636 from the figures of our last report.

We wish to place on record that in accordance with an understanding acted upon by all the Canadian banks in London as to the moratorium in respect of bills of exchange, we adopted the policy agreed upon by the clearing banks, and re-accepted, with a few trifling exceptions, all our bills which matured in August, although during the whole period we were carrying bank balances more than sufficient to meet