

a revenue producing standpoint. In our magnificent new building and in our new building at the corner of Yonge and Bloor Streets all the available space is leased, and for long terms, thus guaranteeing a substantial income for the next eight or ten years. This, taken in conjunction with the fact that the rental income yields a very fair profit, and the situation of these buildings in the best parts of the city makes them also an asset, the value of which is bound to increase with the prospective rapid growth of the city; a circumstance, which taken in conjunction with their recognized rental value, well justifies the expenditure involved in their erection. It must also be borne in mind that the Bank owns fifteen other Bank buildings, at the principal centres occupied by the bank, besides those referred to above, making seventeen Bank buildings in all. Your Directors consider that we have good value for the property owned by the Bank as it stands in our books. In acquiring any property for Bank premises, this Bank has made it a rule to buy the same, holding the property in the name of the Bank. The Bank obtains a very fair return upon the amount invested, besides having suitable accommodation for its growing business.

An important change in the management of the Bank took place during the year. Mr. H. S. Strathy retired from the position of General Manager, and was succeeded by Mr. Stuart Strathy, who in turn was succeeded as Assistant General Manager by Mr. Norman Hillary. Mr. H. S. Strathy had devoted, and with a large measure of success, many years to the promotion of the interests of the Bank. He began as the founder of the Bank twenty-two years ago, and continued to perform the duties of General Manager with great vigor and success. By his energy and ability, he overcame many formidable obstacles, and, on his retirement, he has the satisfaction of feeling that he leaves as a legacy to the Shareholders a sound and stable Banking Institution. In his successor, Mr. Stuart Strathy, we have a Banker of sound judgment, a careful investor, and a Manager of large experience in one of the most important Branches of the Bank, that at Hamilton, where he built up an excellent and extensive business. He brings experience and sound and conservative business methods to his new position of responsibility. He will doubtless discharge his onerous duties to the advantage of all the interests concerned.

Mr. Hillary, who becomes Assistant General Manager to Mr. Strathy, has had a large and valuable experience, is shrewd and careful, and has an excellent record as Manager, and, for a time, as Directors' Auditor.

Mr. Willis, who succeeds Mr. Hillary as Directors' Auditor, has had many years of experience as Manager, and, for a time, as Bank Inspector, and brings to the important duties of his position qualities which especially fit him for their effective discharge. In this capacity, Mr. Willis is an official of the Directors and Shareholders, and entirely free from the control of the Executive Management. His duties include investigation into all matters affecting the business or interests of the Bank, under the direction, and for the information of the Board.

There will be submitted at this meeting for your consideration a By-law to increase the number of the Board from six to seven, in order to retain as Director the services of the retiring General Manager, who has been made a Member of the Board.

I have much pleasure in moving the adoption of the report.

The Vice-President said:—

In seconding the motion for the adoption of the Report of the Directors of the Bank, with its accompanying statement, it gives me much pleasure to endorse the remarks of the President in regard to the satisfactory outcome of the operations of the past year, as the results of careful administration and business-like management.

I may be permitted to add a few observations, to emphasize what has been said.

It must be gratifying to note that prosperous as have been the conditions of the past few years, the profits for the

year just closed have been the largest in the life of the Bank. The net profits for the year, with all the usual deductions made, amount to the satisfactory sum of \$522,822.91. These earnings have permitted of the payment of four quarterly dividends of, in round numbers, \$76,000 each, representing a rate of seven per cent. per annum. Besides, the Rest has been strengthened by the addition of \$100,000, bringing this account to a total sum of \$2,000,000, which, it may be remarked, is about 46 per cent. of the paid-up capital stock of \$4,352,310.

The Statement submitted shows the liquid assets of the Bank to be in a satisfactory healthy condition, there being a substantial increase over the amount reported last year.

It is also gratifying to observe that the amount of the notes of the Bank in circulation has been much in excess of that of any other year in the history of the institution, indicating the excellent condition of its general business. It is also worthy of note that the stock of the Bank is well held, being distributed among some 1,800 shareholders.

In a word, a careful perusal of the statement will reveal an advance in practically every account, every department of the operations, and in every interest of the Bank, of such generally good character as to make the Annual Statement very satisfactory.

The changes in the personnel of important officers of the Bank will not impair the effectiveness of management. Mr. H. S. Strathy, after many years of faithful service, retired from the position of General Manager, and took a place on the Board of Directors. The filling of the vacancy thus created by the appointment of Mr. Stuart Strathy, with an excellent record as Manager, and Assistant General Manager, the appointment of Mr. N. Hillary as Assistant General Manager, and of Mr. Willis as Directors' Auditor, have already been referred to, and their appointment will without doubt be in the best interests of the Bank. They have the full confidence of the Directorate, and the respect and confidence of all in financial circles who have knowledge of their experience and qualifications.

As intimated to the Shareholders last year, an official known as Directors' Auditor was appointed, whose duty it is to co-operate with and assist the Board in the investigation of every transaction, the examination of every account, record or document in connection with the business of the Bank, and to take any course of inspectorial action, under the direction of the Board, or on his own initiative, which they or he may consider advisable or necessary to protect or promote the interests of the Bank and the Shareholders. To this end, and for these purposes, he has practically unlimited authority and liberty of access to all departments of every office of the Bank, from the head office to the humblest branch, and in the discharge of his duties, is subject to no restraint on the part of any official, in any capacity, being responsible only to the Directors, whose officer he is, and to whom he must directly make his report, upon every incident and condition that in any way affects the interests of the Bank.

Your Board of Directors, with the Directors' Auditor, have thoroughly examined and checked in detail the entire assets of the Bank at the head office, as comprehended in the annual statement, and they have personally and collectively satisfied themselves by individual examination, count and comparison, that these assets correspond with the statement. Your Board, together with their Auditor, further examined the reports and statements from every Branch, and the Inspectors have carefully inspected and examined with the greatest care these Branch accounts, and report them to be as represented, and most satisfactory.

Thus, with a strong and capable official equipment; with all the interests of the Institution in a sound, stable and healthy condition; with a fairly justified expectation that the somewhat relaxed conditions of prosperity, commercial, industrial and financial, will be only temporary, it is not unreasonable to anticipate for the Traders Bank a continuation of prosperity, and a repetition in the record of the year to come, of the many gratifying features of the excellent report now submitted for adoption.