THE DOMINION BANK—*Continued*

AUDITORS' REPORT TO SHAREHOLDERS

We have compared the above Balance Sheet with the books and accounts at the Chief Office of The Dominion Bank, and the certified returns received from its Branches, and after checking the cash and verifying the securities at the Chief Office and certain of the princival Branches on December 31st, 1919, we certify that, in our opinion, such Balance Sheet exhibits a true and correct view of the state of the Bank's affairs, according to the best of our information, the explanations given to us and as shown by the books of the Bank.

In addition to the examination mentioned, the cash and securities at the Chief Office and certain of the principal Branches were checked and verified by us at another time during the year and found to be in accord with the books of the Bank.

All information and explanations required have been given to us and all transactions of the Bank which have come under our notice have, in our opinion, been within the powers of the Bank.

G. T. CLARKSON
R. J. DILWORTH } of Clarkson, Gordon & Dilworth,, C. A.

Toronto, January 20th, 1920.

NORTH AMERICAN LIFE ASSURANCE COMPANY

That the North American Life Assurance Company Toronto participated very fully in the 1919 expansion reported very generally by other Life Companies, is indicated by the large amount of new business issued which totalled $22,199,547 as compared with $13,532,161 in 1918. The president Mr. L. Goldman, in his address at the annual meeting said:

"The overhead charges in connection with Life Insurance Companies have undoubtedly increased in common with the cost of living generally, yet it is gratifying to know that the Canadian Life Insurance Companies are on the whole under able management, quite sound and quite able to bear the temporary strain on them caused by the largely increased business. What should be understood is that Life Insurance Companies are unlike other businesses which are selling their goods at probably two or three times higher prices than before the war and can make correspondingly large profits. We are selling our insurance at pre-war rates and we cannot pass any increased costs on to our policyholders by charging an increased premium."

Business in force was increased from $70,050,316 to $84,597,490 for the year under review, a substantial growth of $13,647,174. The total cash income for 1919 was $4,053,760, an increase of $586,320 over the preceding year, showing that both premiums and interest have been remarkably well paid during 1919.

In referring to disbursements, The president said:—

"Under the heading of disbursements you will notice the large amount paid for death claims and to the policyholders generally, indicating quite clearly that while we are taking in a large amount of money, we are now disbursing correspondingly large amounts. In this connection I would particularly draw your attention to the large sum paid by way of dividends to policyholders last year, namely $378,265.18. Including this sum the total amount paid to policyholders during the year was $2,299,854.97.

Notwithstanding the strain on the Company from various causes during the last few years, it is certainly gratifying to be able to tell you that the Company's rate of dividends paid to policyholders has been maintained and that the Actuary reports that the same handsome rate of dividends will be paid for the year 1920. It is a sort of satisfaction to know that we are able to maintain the existing scale of dividends which I am advised is not generally the case. So far as dividends are concerned, we are not supposed to prognosticate as to the future. We shall, however, in the future as in the past endeavour to give the policyholders the very best return possible, always keeping in view that security is the highest concern and that it is essential to maintain the record which has earned for the Company its description, "Solid as the Continent."

The assets amount to $18,869,550, a net increase of $705,204, after making ample allowance for fluctuation in values on the basis required by the Insurance Department. The amount of total assets is arrived at after deduction of an investment reserve fund of $162,635. Mr. Goldman in referring to this item said:—

"As pointed out in previous years, the setting aside a sum as a special fund, to take care of temporary variation in security values, is a precautionary measure and in our opinion, a desirable one, which on the return of more normal conditions, will rebound to the advantage of both the Company and the Policyholders."

The assets include mortgages on real estate $4,356,495, slightly less than a year ago; real estate including Company's building $138,036 Bonds, Debentures and Stocks stand at $11,498,345, Loans on policies $2,356,506 slightly higher than the preceding year. The net surplus over all liabilities of $2,694,338 establish beyond a doubt the fine financial position of the North American Life.

The president and managing director Mr. L. Goldman has been associated with the Company since its inception, and has connected with him in the directing of the company's destinies, an able body of executive officers.