

GENERAL STATEMENT, 30th APRIL, 1906.

LIABILITIES.	
TO THE PUBLIC:	
Notes of the Bank in circulation...	\$1,416,050 00
Deposits not bearing interest...	\$2,819,586 36
Deposits bearing interest...	9,038,709 95
	—11,858,296 31
Balances due to other banks...	\$ 431,853 29
	\$13,706,199 69
TO THE SHAREHOLDERS.	
Capital stock paid up...	\$3,585,410 00
Reserve fund...	1,230,900 00
Dividend No. 12, payable 16th May	31,358 38
Former dividends unclaimed...	110 00
Balance of profits carried forward	15,931 77
	—\$4,862,810 15
	\$18,569,009 75

Montreal, 30th April, 1906.

PRESIDENT'S ADDRESS.

The statements submitted to you with the Directors' Report are so complete, and I trust satisfactory, that they leave little for me to say.

In addressing the shareholders a year ago, when I also had the pleasure of announcing an increase in the dividend, I remarked that even with the increased capital then being issued we anticipated no difficulty in paying a 6 per cent. dividend and still making handsome additions to the Reserve Fund and otherwise strengthening the Bank. You will understand how fully these anticipations have been realized when I tell you that we paid some \$103,300 in dividends during the past year, and after doing this had a surplus from the ordinary net earnings of \$84,500, as compared with a surplus of \$68,900 the year before over dividends aggregating only \$65,000. On this basis we could easily have paid 7 per cent. and still have had as much to appropriate for the Reserve Fund, Bank premises, etc., as we had at the end of April, 1905.

I will ask the General Manager to discuss the statement submitted to you and before doing so I wish to state that in Mr. Stewart we have a gentleman of proven ability and sound judgment, and under his management the shareholders may look forward to even greater results in the future.

I now, move, seconded by the First Vice-President, Mr. Allan, that the Report of the Directors be adopted, and printed for distribution among the shareholders.

GENERAL MANAGER'S ADDRESS.

The statements submitted to you are as complete as it is possible to make them, and with a few explanatory remarks regarding some of the figures, I trust they will be sufficiently comprehensible to enable the shareholders to form a fairly accurate conclusion as to the present position of the Bank and an intelligent idea of its future prospects.

The "Current Loans and Discounts" amount to \$11,682,290, being an increase of \$5,000,000 over last year. They consist of advances to merchants, manufacturers, farmers and others doing business in Ontario and Quebec, and represent so many diversified interests that in no sense have we many eggs in one basket. These loans are also well distributed as to amount and average only \$1,992 per borrower.

The next item, "Overdue Debts, \$9,491," really belongs to Current Loans, as it is quite good and composed of bills only temporarily past due. Where we have a really bad debt it is wiped out from profits and does not appear under loans, either current or overdue.

The next item, "Bank premises, safes, etc." is a valuable asset; nearly three quarters of the amount is represented by our magnificent ten story building on St. James street, Montreal. The Montreal Branch occupies the ground floor and basement and the executive offices take up the whole of the first floor. The other eight floors are all rented and there is not a vacant office in the building. After charging ourselves with a very modest rental compared with what we know we would have to pay for inferior accommodation elsewhere in the city, I am very pleased to be able to tell you that this building is now netting the Bank a clear 5 per cent. on its investment. Our tenants are of a high order, and are all under lease, so that you may expect this yield to continue for some time to come. Apart from its value as a safe revenue producer, this building is a good advertisement

ASSETS.	
Gold and Silver Coin on hand...	\$ 173,869 65
Lominion Government notes on hand...	672,313 25
Deposited with Lominion Government for security of note circulation...	70,000 00
Notes and Cheques of other Banks...	881,631 46
Balances with Bankers...	817,473 80
	\$2,615,287 56
Railway, Municipal and other Bonds...	911,653 59
Call and Other Demand Loans secured by Bonds, Stocks, etc...	2,902,731 13
	\$6,429,672 28
Current Loans and Discounts (Less Rebate of Discount, \$30,000)...	11,682,290 33
Past Due Bills (good, no loss to provide for)	9,491 62
Real Estate other than Bank premises...	11,307 54
Bank Premises, Safes and Office Furniture	434,044 75
Other Assets...	2,203 23
	\$18,569,009 75

D. M. STEWART,
2nd Vice President and Gen. Manager.

and business attraction. The banking room was planned with a view to the comfort and convenience of our customers and staff, and is an unqualified success. Profiting by the experience of the Baltimore fire, we had the vaults built under ground and nothing was left undone to provide the Bank with the very maximum of protection. The building and location could not be duplicated in Montreal to-day for within \$50,000 to \$75,000 of the value it stands at in our books and we regard it as an extremely good asset.

The balance of the items under this heading represents only some \$1,800 per Branch, for furniture, steel safes, vaults doors, etc., and is good value, as we have written off \$30,000 from these assets to date.

The total "Assets" amount to \$18,569,000, an increase of nearly \$7,000,000 for the year.

Turning to the "Liabilities" side of the statement you will observe the substantial increase of \$217,840 in the note circulation, which has increased another \$100,000 since the date of this statement.

The "Deposits" have increased by over three and a half million dollars, and stand at \$11,858,296, divided amongst 37,532 depositors, representing an average of \$316 per head. Since 30th April, our deposits have increased by over half a million dollars. Comment on this showing is unnecessary, and I will simply ask the shareholders to think over it and to ponder upon the possibilities of a bank with such a clientele in a growing and prosperous country like Canada.

The next item, "Balances due to Banks," arises out of our ordinary business, and is about one-half the amount due to us by other banks, as shown on the opposite side of the statement.

A small balance of our recently issued capital is being paid up by instalments, according to law; the great majority of the shareholders having paid in full in advance. When completed the paid-up capital will be \$4,000,000, and to-day it amounts to over \$3,716,000.

The Reserve Fund increases proportionately as the capital is paid in and now amounts to about \$1,250,000, an increase of \$20,000 since 30th April.

I think this completes my resume of the statements, unless you have any questions to ask about them. Remember this is your bank, and you are entitled to know all about it.

During the past year we received applications for 2,893 discount accounts of which 1,714 were declined.

There were 32 chartered banks in Canada when we opened our doors on 1st May, 1902, and we stood 32nd on the list. On the 30th April, 1906, we had moved up into 15th place, in point of assets, and to 6th place in point of paid-up capital. It is not, however, by such comparisons that I would convey to our shareholders the merits of their own institution, but rather by inviting their careful consideration of the unvarnished figures and hard facts laid before them to-day.

The usual vote of thanks to the Directors and staff was made and referred to in eulogistic terms by the Shareholders. The following directors were elected:—

Randolph Macdonald, Hon. D. McMillan, A. A. Allan, Arch Campbell, M.P., John Fuglesy, Hon. Peter McLaren, W. K. McNaught, M.P.P., Albert E. Dymant, M.P.

At a subsequent meeting of the Board, Mr. Randolph Macdonald was elected President; Mr. A. A. Allan, First Vice-President and Mr. D. M. Stewart, Second Vice-President and General Manager.