

1890, caused a plethora of available bank funds in that country, while the steady decline in the gold surplus and the uncertainty as to the future effect of the silver laws, produced a state of inactivity and distrust. Other causes into which it is not necessary for me to enter have effected other financial centres, and in this country the general features to which I have before referred have markedly characterized the business situation, producing a state of affairs which has not been favorable to banking operations generally. Under these circumstances it is gratifying to be able to report that we do not show any decrease in our net profits.

As regards the progress of the bank, you may remember that last year I presented to you some figures showing the increase in its business, taken from our reports at intervals of ten years. A comparison of the figures of this year will show that we have again to report an advance in every department, our circulation having reached a point within \$60,000 of the maximum permitted under our charter, while the volume of our transactions has been greatly in excess of anything we have as yet experienced. The competition which now prevails affects both the rate paid for deposits and the rates obtained upon loans, rendering it difficult to increase the earnings, and it is largely on account of increased business that we have been enabled to maintain our profits.

Referring to other items in the report, I have to call your attention to the sum recovered from debts that had been written off as bad and doubtful. We have always tried to act on the safe side in estimating the results of our yearly business, and in cases where we have felt uncertain as to the future of any of our loans, have sought to make ample provision, but we by no means lose sight of anything we write off, and care is taken to nurse these debts back into strength, and to avail ourselves of every opportunity to make the best of them. These old matters are kept constantly before us, and we have the pleasure of placing back amongst our assets proceeds of such debts when realized. From this source we have this year given our profit and loss account credit for \$50,000, which, together with the surplus profits after payment of \$200,000 in dividends, has enabled us to add \$100,000 to our Rest, and to bring forward the substantial balance of \$38,983.95 to next year.

The Rest now amounts to \$1,700,000, and it is customary to compare the proportion this fund bears in relation to the capital. Upon this basis our proportion is eighty-five per cent. I prefer, however, to call your attention to the proportion which our Rest bears to our loans and discounts, since it is as a provision against possible losses arising from that source that a Rest should be maintained. Based, therefore, upon nearly \$11,000,000 outstanding in loans, we have a Rest fund of 15½ per cent. Viewed in this way the margin provided as a reserve is by no means too large, and I consider that this fund should continue to maintain a reasonable ratio to our increase in business. I feel that I have but to call your attention to this view of the Rest to secure your approval of our action in strengthening it, and I have to say further that the shareholders are now reaping great benefit from the policy which has been pursued in the past with regard to this fund.

A branch of the bank at Point St. Charles, in the city of Montreal, was opened very recently, and we have reason to believe it will prove to be of advantage to many of our customers and lead to increased business for the bank.

The report refers to the loss the bank has sustained in the death of our late colleague, Mr. John Leys. He had been a member of the board for a short time only, but rendered valued assistance and gave promise of being a very useful director. To fill the vacancy thus caused, the directors, acting upon the powers conferred upon them, elected Mr. Robert Reford, of Montreal, a well-known and highly valued customer of the bank, it being deemed desirable to have on the board a representative from that commercial centre, where the bank's interests are steadily increasing in importance.

I have again pleasure in bearing testimony to the zeal and efficiency with which the general manager and the other members of the staff continue to discharge their respective duties.

With these remarks, gentlemen, I beg leave to move, seconded by the vice-president, that the report now read be received and adopted.

In seconding the adoption of the report, the vice-president, Mr. W. H. Beatty, referred to the change that had taken place in Mr. Coulson's position, he being made general manager of the bank, and Mr. Wadsworth, formerly manager at London, Ont., being placed in charge of the business at Toronto Branch. The change had become necessary, owing to the increase of the business of the bank, which, during the past ten years, since Mr. Gooderham became president, and he vice-president, had more than doubled. He concluded with a very feeling reference to the present severe illness of Mr. Fulton, an esteemed director of the bank.

The report was adopted and the thanks of the stockholders were tendered to the president, vice-president and directors, for their care and attention to the interests of the bank during the past year.

The following named gentlemen were elected directors for the year:—George Gooderham, Alex. T. Fulton, Wm. H. Beatty, Henry Covert, Henry Cawthra, Wm. Geo. Gooderham, Robert Reford.

The new board met the same afternoon, when George Gooderham, Esq., was unanimously re-elected president, and Wm. H. Beatty, Esq., vice-president.

#### IMPERIAL BANK OF CANADA.

The seventeenth annual general meeting of the Imperial Bank of Canada was held, in pursuance of the terms of the charter, at the Banking House of the institution, in Toronto, on Wednesday, 15th June, 1892. There were present:—

Messrs. H. S. Howland, T. R. Merritt (St. Catharines), T. R. Wadsworth (Weston), Robt. Jaffray, Hugh Ryan, Rev. E. B. Lawler, Geo. Robinson, R. S. Cassels; Wm. Ramsay, of Bowland, Scotland; T. Sutherland Stayner; Joseph Whitehead, Quebec; W. B. Hamilton, John Stewart, David Kidd, Hamilton; Robert Beatty, R. L. Benson, Peterboro; H. S. Northrop, J. H. Patterson, R. Thompson, John Bain, Q.C., J. J. Gould, Uxbridge; R. H. Ramsay, S. Nordheimer, Dr. Thorburn, J. K. Fiske, D. R. Wilkie, etc., etc.

The chair was taken by the president, Mr. H. S. Howland, and Mr. D. R. Wilkie was requested to act as secretary.

The secretary, at the request of the chairman, read the report of the directors and the statement of affairs.

#### REPORT.

The directors have much pleasure in meeting the shareholders, and beg to submit the seventeenth annual balance sheet and statement of Profit and Loss account of the bank, for the year ended 31st May, 1892.

Out of the profits for the year and balance of Profit and Loss account carried forward from last year—

(a) Dividends have been paid at the rate of eight per cent. per annum, and in addition thereto a bonus of one per cent., amounting in all to \$171,622.80.

(b) Rest account has been increased by \$50,000.

(c) Bank premises account has been credited with \$6,272.63.

(d) The fund to cover rebate on bills discounted current has been supplemented by an appropriation of \$3,643.74.

The allotment to shareholders of \$500,000 new stock has been taken up to the extent of \$463,600. The disposition to be made of the unsubscribed shares, within the provisions of the Bank Act, is a matter for further consideration on the part of your directors.

The deposits and note circulation of the bank have increased during the year in the sum of \$1,326,723.

Keeping pace, in a measure, with railway development in the North-West Territories, a branch of the bank has been opened during the year at Edmonton, Alberta. The new premises at Brandon, Manitoba, the property of the bank, have been in constant occupation since 13th March, and meet, in every respect, the requirements of the bank.

The necessity of providing suitable accommodation at Calgary for the business of the bank has induced your directors to purchase premises, at a reasonable cost, on the corner of Stephen avenue and McTavish street, which, it is expected, will be, at an early date, ready for occupation.

The scarcity of idle capital in the North-

west seeking investment necessitates the ownership by the bank of banking premises at several points; care has, however, been taken from time to time to reduce below cost, by appropriations from profit and loss account, the values at which these and other banking premises are held as assets.

You will be asked to approve of and to aid in the establishment of an Officers' and Employees' Mutual Guarantee Fund, which fund your directors believe will not only be an economical and otherwise excellent substitute for the System of Officers' Guarantees now in force, but will tend to community of interests on the part of officials themselves.

The policy of maintaining ample cash reserves and of investing a considerable portion of the funds of the bank in first-class readily-convertible securities, although curtailing immediate profits, enables the bank to avail itself from time to time of any good business that offers, and ensures the full and continued confidence of the public and of shareholders.

All of which is respectfully submitted,

H. S. HOWLAND,  
President.

#### STATEMENT OF PROFITS FOR YEAR ENDED 31ST MAY, 1892.

Balance at credit of account 31st May, 1891, brought forward ..	\$ 50,750 44
Profits for the year ended 31st May, 1892, after deducting charges of management and interest due depositors, and making full provision for all bad and doubtful debts .....	221,817 07
	\$ 272,567 51

From which has been taken:

Dividend No. 33, 4 per cent. (paid 1st Dec., 1891) .....	\$75,326 29
Dividend No. 34, 4 per cent. (payable 1st June, 1892) .....	77,037 21
Bonus one per cent. (payable 1st June, 1892) .....	19,259 30
	171,622 80
	\$ 100,944 71

Written off bank premises and furniture account .....	\$ 6,272 63
Reserved for rebate on bills discounted (making total \$30,742.29) .....	3,643 74
Carried to Rest account .....	50,000 00
	59,916 37

Balance of account carried forward .....	\$ 41,028 34
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#### REST ACCOUNT.

Balance at credit of account, 31st May, 1891 .....	\$ 750,000 00
Transferred from Profit and Loss account .....	50,000 00
Premium received on new capital stock .....	220,292 00

Balance of account carried forward .....	\$1,020,292 00
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#### GENERAL STATEMENT, 31st MAY, 1892.

#### Liabilities.

Notes of the bank in circulation ..	\$1,288,410 00
Deposits not bearing interest .....	\$1,584,452 83
Deposits bearing interest (including \$38,806.98, being amount of interest accrued on deposit receipts to date .....	6,468,573 05
	8,053,025 88
Due to other banks in Canada .....	2,243 71
Total liabilities to the public .....	\$9,343,679 59
Capital stock (paid up) .....	1,940,607 00
Rest account .....	\$1,020,292 00
Contingent account .....	33,050 19
Dividend No. 34, payable 1st June, 1892, 4 per cent. and bonus one per cent. ....	96,296 51
Former dividends unpaid .....	92 25