

The Bank of British North America

SEVENTY-FIFTH ANNUAL REPORT

-AND- BALANCE SHEET

Report of the Directors of the Bank of British North America, Presented to the Proprietors at Their Seventy-Fifth Yearly General Meeting, on Tuesday, March 7th, 1911.

The Court of Directors submits the accompanying Balance Sheet to the 31st December last.

It will be seen that the profits for the year, including \$99,956.73 brought forward from last account, amount to \$954,928.85, which the directors propose to distribute as follows:

To the General Reserve Fund	\$148,000.00
To the Special Reserve Fund	\$148,000.00
To the Profit and Loss Account	\$658,928.85
Total	\$954,928.85

The Court of Directors also submits the accompanying Profit and Loss Account for the year ended 31st December last.

The payment of a dividend of 5 per cent. on the \$1,000,000 of the common stock was \$50,000, or 50 cents per share.

Both payable, free of Income Tax, on the 7th April next.

Transferring to the Reserve Fund	121,666.66
Transferring to Bank Premises Account	35,666.66
And in the payment of a Bonus of 5 per cent. to the Staff, about	29,200.00
Dividend paid October, 1910	146,000.00
Leaving a balance to be carried forward	\$8,712.24

The above Dividend and Bonus will make a distribution of 7 per cent. for the year.

The Dividend Warrants will be remitted to the Proprietors on the 6th April.

Since the last report, dated 30th June, 1910, Branches have been opened at Coquitlam, Langley, and Richmond, and the new office at 1000 Broadway, Vancouver; Haymarket Square, St. John; and Upper Lansdale Avenue, North Vancouver.

The following appropriations from the Profit and Loss Account have been made for the benefit of the Staff, viz:

To the Officers' Widows' and Orphans' Fund	\$ 6,332.52
To the Officers' Life Insurance Fund	738.26
London, 24th February, 1911.	3,893.24

all \$987,666.66 for the purposes of this account during the last eight and a half years during which the company has, however, the offices—comprising

were not profits of the year, but an accidental windfall. So far as profits measure our progress, it is interesting to compare the recent growth of average profits over five yearly periods. The figures are as follows:

Average	Annual Profit
1896-1899	\$292,778.66
1900-1904	417,002.32
1905-1909	515,008.00
Profits for 1910	\$554,941.82

The Profits of 1910, \$554,941.82, are \$38,- \$23.62 better than the latest and highest average of those five yearly periods. (Applause.) Money well spent, and cheap throughout the year, and our reserves at call in New York only averaged us 2.99 per cent., and in London 2.27 per cent.

The Chairman went on to review the various industries of the country.

He pointed out that while 1910 had been such a good year for the farmer as 1899, it had turned out, on the whole, better than had been expected of it in

The Secretary (Mr. A. G. Wallis) having read the notice convening the meeting.

The Chairman (Mr. H. H. Mayne Campbell of Toronto, esq.), The report and the balance-sheet as at December 31, 1910, being in your hands some days ago. I think we need not read them through at length, and that it will save repetition if we take up the matters dealt with in the report, and refer them in going through the balance-sheet to the corresponding branches, sub-branches and agencies—has increased from twenty-four to eighty—centres have been added, some of the older centres have been remodelled, modernized and greatly enlarged. Other expenditures and appropriations made for the year are not really so when measured by the need of keeping pace with the tremendous growth that the country has been making and doing which has entailed upon us; and the directors' only regret is that it has not been possible to make larger appropriations for the purpose, as the premises account within smaller

the summer, and that the disposition of the receipts has been confined to the Prairie Provinces, the farmers in the other parts of the country having, as a rule, done well.

Our business manufacturers, merchants and carriers, he stated, had upon the whole had a prosperous year with largely increased turnover and fair profits; Ontario, British Columbia and the West, he stated, had shared most largely in the prosperity.

Referring to the impending revision of the Bank Act, the chairman said that the Bank of Canada, the Canadian Bank Act, and for the extension for

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and comparing it with that of our previous year, the \$121,666.66 that we propose to use for the report to transfer to reserve fund amounts to 3.44 per cent. of \$2,652,333.33—3.44 per cent. upon the capital. In the last fourteen years we have paid out \$174,000.00 to reserve, entirely out of the profits. It is, therefore, we think it very important to continue strengthening it. Deposits and loans have increased \$1,610,000.00 in the last year, and the 1898, and \$1,422,000. Bills payable and other liabilities, etc., are \$264,353.15 less than a year ago. The net income is somewhat larger. The net income for the year 1897, when we propose, subject to the usual contributions out of profits to the reserve fund, and we have great pleasure, too, in recommending for your consideration, is \$149,578.30, of which we propose to pay a dividend of 30s per share in October last, disbursing \$146,000.00; and now propose to pay a final dividend of 30s per share and a bonus of 10s per share, making a total of 40s per share, on this day month. The distributions will amount to \$340,695.65.

During the period of ten years of the existing banking institutions, how engagingly has the House of Representatives. The amendments to the expiring act proposed by the Finance Minister appear well conceived to give greater security to the deposits of the country, and better protection to the creditors and shareholders.

Reference was also made to the extension of the term of the charter, being by Mr. E. A. Hoare, one of the directors of the bank, who had gained much useful and recent information of the condition of the country, for which valuable per-

payments, was an indirect billity existing at the close of 1910, and all of these items, leaving a balance of \$92,712.24 to the new year. Turning now to the assets, there was an increase in the amount of \$49,228.53, whilst the liabilities were increased by \$10,000.00, loans at call and on call were \$13,690,295.39 lower. The cash and specie, \$162,067.57, was in the proportion of 10 per cent. to our immediate and distant liabilities. We have a way to demand deposits plus the note circulation; and our total cash assets available for the payment of our liabilities, notice, \$14,896,899.47 were in the proportion of 10 per cent. to the whole of our direct liabilities to the public. As to the investments, we have a balance of \$1,000,000.00, which is 10 per cent. to our direct liabilities. The Court of Directors felt great indebted to the members of the staff, whose loyalty and faithful service had been recognized by a bonus of 5 per cent. on sales. The chairman said: "I would like to say a word of personal appreciation with regard to the staff. They are efficient, they are loyal and they are hard working. A great deal of the work of the office has been done out of office hours; and I think effective work is done out of the office and out of office hours; and I think gentlemen, that we on this side of the table are very much indebted to the vast majority of the proprietors."

1926. Then we would write down the premiums account by another \$48,000, and we would have a balance of \$119,000 left. We would still see on the other side of the balance sheet, \$119,000 left. The demands of this account upon us are continuous and insistent, and do not admit of delay or postponement if we are to retain our position in the banking world. Since June 29, 1902, we have appropriated \$1,000,000 for profits against premiums account, and this it has increased a further \$384,000; so that we have expended in 1903 \$1,384,000. The National War Loan was paid at maturity. The proceeds were reinvested in short-term Exchequer Bonds, and the Canada Three's, and reinvested in short-term Canada Three's and three-quarters. Our aim has been to reduce our former investments by early-maturity securities with greater stability in bank value, in the hope of avoiding the recurring need of appropriations from the profits account. The sale of our consols and of the Canada Three's was necessarily a loss to us. The good returns that we are able to put to work to make, as giving us some little more than 4 per cent. on these, a suitable and substantial return on good work that they have done for us (hear, hear).

These three Directors who retired by rotation, viz. Mr. R. A. Hoar, Mr. W. Tomkinson and Mr. J. H. Mayo, were unanimously re-elected, and Mr. W. W. Bennett and N. T. Waterhouse of Messrs. Fraser, Watt, & Co. were re-elected as auditors.

The proceedings then terminated.

BALANCE SHEET, 31st DECEMBER, 1910			
LIABILITIES.		ASSETS.	
To Capital		By Cash and Specie at Bankers	
20,000 Shares of £50 each fully paid.	\$ 456,666.66	and in Hand	
Reserve Fund	2,632,321.22	By Cash at Call and Short Notice	\$5,912,657.87
Deposits and Current Accounts	32,070,246.40		\$14,896,599.47
Notes in Circulation	3,750,501.43		
Bills Payable and other Liabilities		By Investments—	
including Provision for Contingencies	\$,614,537.70	Exchange Bonds	
Relate Account and other Liabilities	131,617.66	\$115,000, 1912 at	
Liabilities on Endorsements	\$531,906.31	par	\$559,666.67
		1195,000, 1915, at	
Liability under Guarantee in respect of which no Claim is		cost	944,794.10, 1,504,460.77

[illegible]

1910	\$146,000.00	
Transferred to Reserve Fund	121,666.66	
Transferred to Bank Premises Account	48,666.66	
Transferred to Officers' Widows and Orphans Fund	6,352.56	
Transferred to Officers' Pension Fund	20,749.23	
Transferred to Officers' Life Insurance Fund	3,892.34	
Staff Bonus	29,200.00	376,549.45
Balance available for April Dividend and		

Bonus 278,378.90
553,364,581.98
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We have examined the above Balance Sheet with the Books in London, and the Certified Returns from the
 branches, and find it to present a true statement of the Bank's affairs as shown by the books and returns.

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 Auditors.

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London, 21st February, 1911.

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