Balances due agents in Great Britain........	270,219 28	
Unclaimed dividends	2,398 32	
Dividend No. 40 payable 2nd July	210,000 00	
		$13,066,933 83
Capital paid up..$	6,000,000 00	
Rest	500,000 00	
Balance of Profit and Loss account carried forward	7,160 81	
		$ 6,507,160 81
		$19,574,094 64

Assets.

Specie ....$	445,306 55	
Dominion notes..	879,472 75	
Notes of & cheques on other banks..	417,411 89	
Balances due by other banks in Canada	159,626 11	
Balances due by agents of the bank in the United States..	823,432 55	
British, Canadian and U.S.Government Securities, municipal and other stocks and bonds	866,524 31	
Call and short loans on stocks and bonds	591,388 77	
	$4,183,162 93	
Time loans on stocks & bonds..	525,563 00	
Other current loans and discounts	14,264,228 47	
Bills discounted overdue, not specially secured, (loss fully provided for)......	26,781 45	
Overdue debts, secured..........	149,040 94	
Real estate (other than b'nk premises) and mortgages..........	167,686 46	
Bank premises & furniture	257,631 39	
		$19,574,094 64

B. E. WALKER,
General Manager.

THE PRESIDENT'S ADDRESS.

Mr. Darling then said—The report has been in your hands for some time, and before formally moving its adoption I have a few remarks to make upon it. The information afforded you in the report of the board and of the general manager in your hands is so full and comprehensive that I do not propose to detain you with any lengthy remarks.

CHANGES IN THE STAFF.

The resignation of the late general manager, Mr. Anderson, soon after the board honored me by electing me to the position of president, placed upon them a duty and responsibility exceeding in importance any other, I might truly say every other duty which they are called upon to perform, namely, the appointment of the chief executive officer of the bank. Failure here to secure the proper officer could not be remedied by the faultless performance of every other duty assigned to the board.

The board was fortunate in finding among the officers of the bank, in the person of Mr. B. E. Walker, one trained in it, intimate with its history, one who growing up with it had filled with marked ability and success many important positions in it, whose experience answered in every important respect to the requirements of the position, and he was accordingly appointed.

The duties of the head office are af such an engrossing, multifarious and exacting character, it was felt that the interests of the bank required that the general manager should have the undivided assistance of the most talented available gentleman we could find, so that Mr. Walker should feel free at all times to devote himself to the particular branch work requiring his personal attention for the time being, without any anxiety as to the effect of this upon the ordinary duties of his office. If the board did not on this occasion give expression to its natural desires by selecting this officer from the existing staff, we at least came very near it, and I have the best reason for saying that the return of Mr. Plummer to the ranks of our officers has not only been a great gain to us, but has also been received with the most cordial approval by the staff generally.

From a personal acquaintance of a somewhat limited and yet very intimate kind, the judgment which I had formed of the capabilities of our new general manager and assistant general manager have been more than confirmed, and I have no hesitation in saying that in them we have men of the highest character and integrity; enthusiastic in the study and performance of their professional duties, thoroughly devoted to this institution and with a diversity of experience which renders them the complete complement one of the other, from whom the shareholders may expect services of an eminent kind.

THE POSITION OF THE BANK.

The investigation which followed upon these appointments being made, and its results, are very fully referred to in the report. Much as it has pained us all to find the position of the bank's affairs as it is now represented to you, it seemed to be a duty of the plainest kind that you should be made fully aware of the result of the searching investigation which has been made by the new executive. It has necessarily been a trying and an exhaustive one, but you may rely, and it is clear the public has relied, implicitly, upon the thoroughness and accuracy of our work, and we have been greatly encouraged by the spontaneous expressions of confidence which have been extended to us by some of the largest and most influential shareholders of the bank as to our future work, even if it has had such an unpleasant beginning.

There is much in the statement before you and in the present position of the bank to gratify the shareholders, and to stimulate and encourage the board and the officers of the bank.

In some very important respects, as the report states, the affairs of the bank are in a much better condition than we had expected to find them. The large proportion of our assets, which is in the shape of business of a first-class and remunerative character, is a matter not lightly to be esteemed.

The growth of an institution of this kind with its wide ramifications and extended field of operations is necessarily of a slow nature. That the preliminary dangers and disastrous experiences incident to almost every institution in its early history have now been passed, and this experience, obtained while the country and its commerce have been passing through alternate periods of expansion and depression, has been distilled and its lessons burned into the minds of the older members of our staff, to serve as capital which money cannot purchase, is also worthy of remembrance.

Peculiarly the creature of confidence, this bank has won its way to a very high place in the esteem alike of its customers and the public generally, and we rely with every assurance upon meriting an increasing measure of this confidence.

Although the year which has just closed has been an eventful one in the history of the bank and much has been done towards the end we have in view, there is yet much, we feel, that can be done towards securing greater efficiency in the administration of its affairs, with possibly an increased measure of economy and profit, which we hope to take up during the year upon which we have just entered if it shall please the shareholders to restore to us the trust which we now again place in their hands.

We have all felt and still feel deeply the responsibilities which have devolved upon us in keeping the large funds at the disposal of the bank fully, profitably and safely employed.

There is nothing apparent on the face of the commercial barometer to presage disaster or even depression, but we are not unmindful of the fact that it is in just such times that the seeds of future losses are sown, and we feel that our mission is essentially one of untiring vigilance.

THE NEW BUILDING.

The paragraph at the close of the directors' report is one to which your attention must be especially directed, and will form the subject of a separate resolution later on.

You are probably aware, and indeed you have only to look around you to see, that the premises we occupy as the head office and for the business of the Toronto branch are far from being creditable to us, and in the early part of the year the directors sought a solution to the difficulty. There were several reasons why this should be done without delay. It was impossible that we should be indifferent to the action of the other banks in erecting and occupying improved edifices of modern construction and in keeping with the progress of the city generally. The rapid advance in the value of real estate all over the city, and especially in the business part of it, warned us that every year's delay and probably every week's delay would very largely enhance the value of a new site. After careful consultation with the managers it was demonstrated to be quite impossible that we could occupy any temporary premises, which would expose our treasury. It was necessary that we should be within a radius of a few hundred yards of our present site in the centre of the business part of the city, the available sites near which must necessarily become scarcer and more expensive. The Hay property having come upon the market opportunely, the board unanimously resolved to acquire it, and in the exercise of the discretion vested in them took the necessary steps for the erection of a new building which would at once afford ample facilities for the present and growing business of the bank, be of the most modern construction, creditable to the bank, and which would at the same time afford a considerable revenue from the portion not required immediately for the use of the bank.

It was at this stage that the possibility of a large reduction of the Rest loomed up, and the directors deemed it advisable to take the shareholders into their full confidence and ask their approval of this important step. The circumstances are not altered in any way since the first step was taken; the necessity is still as great, and the erection of a new building can only be delayed at the most a very short time. The money that has been spent for years in repairs upon our present building, or which may be spent upon it, is practically thrown away. The value of real estate is advancing; suitable sites are becoming even scarcer and more difficult to secure, and while we would have gladly seen larger surplus resources with which to engage in an enterprise of this kind, the board considers the best interests of the bank and its creditable appearance in the eyes of the public are deeply involved in the question of a new building.

I trust the meeting will concur in the views which I have thus briefly laid before you and embody them in a formal resolution to that effect.

I have now to move, seconded by Mr. Cox, the vice-president not being here, that the report of the directors now read be adopted and printed for the information of the shareholders. The general manager will have a few remarks to make, and will then, I am sure, be very happy to answer any questions which may be put to him. I beg to move the adoption of the report.

Mr. Geo. A. Cox briefly seconded the motion.

THE GENERAL MANAGER'S ADDRESS.

Mr. Walker, general manager, said—I have nothing in the nature of a speech to make but I merely wish to add a few words by way of information to the report of the directors, which has just been presented. Since the annual statement of the bank has been made public there have been many comments made in the press, which may be supposed more or less to reflect the opinions of the shareholders. As a whole these comments seem to show that the action of the new executive is approved. But these expressions of approval are made from various points of view, and many of them seem to have been written under the impression that there was more than one course of action open to us—a comment frequently made being that while it was wise to do so, we have doubtless put the knife into the bank's assets deeper than there was any real necessity to do. Now, we are quite satisfied that we have put the knife in deep enough, but we wish to remove the idea that we have as a matter of deliberate policy, undervalued the shareholders' property. The object of the new executive in the matter was a very simple one, viz., to arrive at as precise a statement of the