

# **FORTY-NINTH ANNUAL MEETING OF** **The Royal Bank of Canada**

SIR HERBERT HOLT, PRESIDENT, DEALS WITH PRINCIPAL FACTORS THAT HAVE CONTRIBUTED TO PROSPERITY OF COUNTRY, ADVISING CAUTION IN GOVERNMENT ASSUMING TOO GREAT POWERS.

Mr. Edson L. Pease, Managing Director, Recommends Establishment of a Bank of Re-discount, Patterned After the Federal Reserve Bank in the United States.

Mr. C. E. Neill, General Manager, Deals with Progress Made by the Bank During the Year, and Pays Highest Tribute to Over One Thousand Members of Staff Who Have Served Overseas.

The Forty-Ninth Annual General Meeting of the Shareholders was held at the Head Office of the Bank in Montreal, on Thursday, January 10th, at 11 o'clock a.m., Sir Herbert S. Holt in the chair.

Mr. S. D. Boak acted as secretary of the meeting, and Messrs. A. Haig Sims and Alex. Paterson as scrutineers.

The Directors' Report was read by the General Manager, Mr. C. E. Neill.

## **DIRECTORS' REPORT.**

The Directors have pleasure in submitting to the Shareholders the Forty-Eighth Annual Report, for the year ending November 30th, 1917, accompanied by the Statement of Assets and Liabilities.

## **PROFIT AND LOSS ACCOUNT.**

Balance of Profit and Loss Account, November 30th, 1916 .....	\$ 852,346.28
Profits for the Year, after Deducting Charges of Management and all other Expenses, Accrued Interest on Deposits, full Provision for all Bad and Doubtful Debts and Rebate of Interest on Unmatured Bills .....	2,327,979.51
	<b>\$3,180,325.79</b>
Appropriated as follows:—	
Dividends Nos. 118, 119, 120 and 121, at 12 per cent. per annum	\$1,549,404.00
Transferred to Officers' Pension Fund .....	100,000.00
Written Off Bank Premises Account	250,000.00
War Tax on Bank Note Circulation	128,357.26
Contribution to Patriotic Fund ..	60,000.00
Transferred to Reserve Fund ....	528,300.00
Balance of Profit and Loss Carried Forward .....	564,264.53
	<b>\$3,180,325.79</b>

The Assets of the Bank have recently been subjected to the usual careful revaluation.

Branches have been opened during the year as follows: In **Quebec**—Montreal, Bonaventure; Montreal, Sherbrooke and Draper; in **Saskatchewan**—Chamberlain, Dodsland, Swanson, Unity; in **Nova Scotia**—Clarke's Harbour, La Have, Middle Musquodoboit, New Germany; in **Newfoundland**—Marystown; in **Cuba**—Moron, Florida; in **Venezuela**—Ciudad Bolivar, Maracaibo, Puerto Cabello; in the **Dominican Republic**—Puerto Plata; in the **British West Indies**—Charlestown, Nevis; Plymouth, Montserrat; Scarborough, Tobago; Speightstown, Barbados.

The following branches were closed:—in **Quebec**—Montreal, St. Viateur Street, St. Jean Chrysostome; in **British Columbia**—Vancouver, Broadway East; also the sub-branch at Bulyea, Sask.

The sub-branches at Alyesbury and Dysart, Sask., were made regular branches.

The Head Office and all the branches of the bank have been inspected as usual, during the year.

Your Directors desire to express their appreciation of the efficient manner in which the officers of the bank continue to perform their respective duties, and their regret at the retirement of Mr. W. B. Torrance, the late Superintendent of Branches and Chief Inspector, after thirty years of service in this bank.

All of which is respectfully submitted.

H. S. HOLT, President.

E. L. PEASE, Vice-President.

## **THE GENERAL MANAGER.**

The General Manager, Mr. C. E. Neill, then referred to the Annual Statement as follows:—

The Balance Sheet submitted to-day, evinces a year of remarkable growth. The total assets of the bank are over \$335,000,000, nearly double their amount at the beginning of the war. The increase during the past year was no less than \$82,000,000. Of this increase, the Quebec Bank, which was absorbed on January 2nd, 1917, contributed approximately \$22,000,000.

Total deposits amount to \$252,987,382.81, the increase for the year being \$52,759,787.23. As I pointed out last year a very satisfactory feature is the absence of large or unusual deposits of a temporary nature.

A remarkable expansion has taken place in our circulation, as in that of other banks. Outstanding notes now exceed our paid-up capital by \$15,247,651.49. To cover this excess, \$16,000,000 has been deposited in the Central Gold Reserve.

Current loans show a substantial increase, due to the active trade conditions and increased prices of all commodities.

The liquid position of the bank is satisfactory, our liquid assets being 53.9 per cent. of liabilities to the public.

The assistance rendered to the Government in financing the war is indicated by an increase of \$28,867,279.29 in Government securities.

\* Net profits for the year were 18.03 per cent. on capital, as compared with 17.87 per cent. last year—or 8.82 per cent. on combined capital and reserve, as compared with 8.66 per cent. last year.

The Reserve Fund has been increased to \$14,000,000 by the addition of \$911,700 premium on new stock allotted to Quebec Bank shareholders, and \$528,300 from Profit and Loss Account.

It is satisfactory to report that all the bank's securities have been written down to the present market value.

In this time of great expansion, it is manifestly our first duty to keep the bank in a strong and liquid position, especially as regards cash, in order to be fully prepared for any contingency which may arise. The uncertainty as to conditions which will obtain after the war is very great, and we must be fully prepared for any eventuality.

I desire particularly to direct your attention to the splendid work of the staff of the bank during the past year. When we speak of "the staff" nowadays, we mean a very different aggregation from that of the days before the war, and when we ask ourselves what actually constitutes the staff to-day, we find ample scope for reflection. Unconsciously, we think first of those who are away fighting our battles, and those who have lost their lives in the defence of liberty and of our country, and to whom we pay our highest tribute. There is between us a bond of such strength that we feel it can never be dissolved. Over 1,000 of our men have enlisted voluntarily since the beginning of the war. Of these 89 have been killed or have died of wounds, and 30 have been discharged as unfit for further military service. 19 of the latter have again taken up their duties in the bank.

To those, who, through unavoidable causes, have not been privileged to take an active part in the great struggle, and who are carrying on at home, in the face of many difficulties, we also desire to pay tribute. The large number of enlistments has rendered the satisfactory operation of the bank's business increasingly difficult, as the places of enlisted men have been filled by more or less inexperienced clerks. We are