

GENERAL STATEMENT.

31st May, 1907.

LIABILITIES.

Notes of the Bank in circulation		\$ 2,009,350.00
Deposits not bearing interest	\$ 2,263,650.88	
Deposits bearing interest	11,737,564.61	
Balances due to other Banks in Canada		14,001,215.49
Balances due to Agents in Great Britain		118,487.30
Balances due to other Banks in Foreign Countries		1,648,788.71
Dividends unpaid		1,706,832.16
Other liabilities		3,928.50
Capital paid up		8,313.59
Balance of Profit and Loss carried forward		3,000,000.00
		26,252.50

\$22,522,168.31

ASSETS.

Gold and Silver Coin	\$ 212,447.81	
Dominion Notes	1,181,491.00	
Deposit with Dominion Government for security of Note circulation		\$1,393,938.81
Notes of and Cheques on other banks		80,000.00
Balances due from other banks in Canada		1,061,091.78
Government Bonds, Municipal and other Securities		280,299.89
Call loans and Short Loans		1,801,200.87
		2,915,199.56
Other Current Loans and Discounts		\$ 7,531,130.91
Past Due Bills, (fully provided for)		14,458,778.00
Real Estate (other than Bank Premises)		44,445.45
Bank Premises and Safes and Office Furniture		11,938.09
Other Assets		464,233.25
		11,044.61

\$22,522,168.31

General Manager's Remarks.

Now that my report to the Directors and the Directors' Report to the shareholders have been read, it is not necessary that I should speak to you at any length. There are, however, one or two points on which I think it is well to say a few words.

In the first place, I want to express to you my personal regret that it should have been my lot to make a report on your property which cannot but be regarded by you all as most disappointing. For the facts as I have found them, I have, of course, no responsibility. The task which I had was to make these facts, ascertain what they really meant, and what the assets of the Bank were actually worth, and to place before the Board as quickly as possible the results of my examination.

This I have done, and my figures are before you. As I have said in my Report, I am sure that the Bank is now on a thoroughly sound basis; that you know the worst of it, and that you need have no apprehension regarding the future. If the present prosperity continues—and at the moment there seems little reason to doubt it—it is possible that from the amount which has been placed in the first Contingent Account some recoveries may be made, but the Shareholders' wisest course will be to consider that the whole of that amount will be required to liquidate the debts against which it has been provided.

The position of the Special Contingent Account is a little different. This account is provided mainly in order to meet possible losses on certain accounts, which from a banking standpoint are in a very unsatisfactory condition. The full amount of the advances in these accounts could not possibly be recovered at the present time, while the ultimate source of recovery is not yet within sight. It is quite possible, however, that the securities held against some or all of these debts may before long work into a better position, and that in the course of time they may enable us to liquidate the whole or the greater part of the debts against which they are respectively held. If this should prove to be the case, we should be able to transfer from time to time a substantial portion of this Contingent Fund into a Rest Fund.

We are now making a new start. We have paid up Capital of \$3,000,000, all of which is absolutely intact. We have deposits amounting to

MORE THAN FOUR TIMES OUR CAPITAL.

And in these, and in the excellent business connections at home and abroad which we have, we possess an extremely valuable asset.

The country branches as a whole have been well chosen, and many of them have a business which is far more valuable than I could have anticipated. We have in our country managers a loyal and enthusiastic body of men, who, during

the last few months, have shown very clearly that they possess the confidence and esteem of the different communities in which they are the representatives of the Bank.

In the fresh start which we are making, all this will count very heavily in our favor. The staff will, I am sure, turn again to their duties with the relief of knowing the exact position of the Bank, while the Shareholders will, I trust feel that with ordinary good fortune the value of their property should increase considerably during the next few years. And in order that this may be the case, I trust that the individual Shareholders, who are the owners of this property, will continue in the future to do all that they can to assist their Bank. Remember that you are the owners, we are only the Managers. And I, therefore, wish to make it a personal request to every one of the Bank's Shareholders that they will in every legitimate way promote the interests of their own Bank. That they do, as far as possible, their own banking business with us may, I hope, be taken for granted. But in many ways, direct and indirect, the influence which our Shareholders have in their different localities may often be of great advantage to the Bank. I hope that this influence will always be used in our favor, and that the Shareholders will feel it their duty to join hands with the officers of the Bank in helping on in every way the progress of their own institution.

President's Remarks in Moving the Adoption of the Report.

You have heard the Report of the Directors, in which is embodied the report of the General Manager, and it is now my duty to move the adoption of this Report.

It may seem to some of you that it is expressed in very formal and cold-blooded language, but the Report, as you will understand, is the document in which the actual facts are recorded. For myself personally I wish to express to you my very sincere regret that it should have been necessary to lay this report before you, but with the facts as they are we had absolutely no alternative. I can only hope that the progress which we confidently expect to make during the next few years will, in course of time, repay you all for the losses which you have made.

It may be thought by some that our valuations have been too drastic, but I unhesitatingly affirm that not one dollar has been treated as bad or doubtful that we do not honestly believe to be so. The basis of valuation has been that where we have no security whatever, and little or no prospect of recovering the debt, we have considered it bad and written it off. Where there is inadequate security, and doubt as to the success of the particular business or venture upon which the security is based, or where the market price is at present against us, we have considered it doubtful and placed it in Contingent Account. There is no doubt