

HOME BANK OF CANADA

ANNUAL REPORT

Great Gains in Deposits—Assets Advance \$2,349,545 —Two New Members on Board—Eugene O'Keefe Misses First Annual Meeting in 40 Years

The annual meeting of the Home Bank of Canada was held at the head office, 8 King street west, Tuesday afternoon at 12 o'clock. Among those present were:—

The Hon. J. J. Foy, K.C., F. E. Luke, C. Pendrith, John Batho, Edward Galley, E. B. Thompson, C. B. McNaught, C. E. P. McWilliams, W. Crocker, Dr. J. A. Todd, James Matthews, Thomas Flynn, H. S. Harwood, M. J. Haney, C.E., J. B. O'Higgins, Col. the Hon. James Mason, Jesse Ashbridge, John White, the Hon. A. McCall, W. T. Kernahan, G. H. Muntz, J. Cooper Mason, L. J. Cosgrave, L. J. Applegath, John Kennedy, E. Flanagan, T. J. Medland, J. O. Paterson, E. G. Gooderham, W. G. Mitchell, R. L. McIntyre.

The Vice-President, Mr. Thomas Flynn, was elected to the chair, and Mr. O. G. Smith was appointed secretary of the meeting. The following report of the Directors was then submitted:—

The Directors have much pleasure in submitting to the shareholders the Eighth Annual Report, giving the result of the bank's business for the year ended 31st of May, 1913, together with the Balance Sheet at that date.

Four quarterly dividends at the rate of seven per cent. (7%) per annum have been paid and provided for; \$200,000 added to the Rest, making that account \$650,000, and \$40,000 set aside to be written off Bank Premises, which will leave a net balance of \$100,470.31 for Profit and Loss Account.

Towards the close of the year an agreement was entered into with the directors of La Banque Internationale du Canada for the purchase of the assets of that institution, to be paid for by shares of the Home Bank at the price of \$128 per share. These assets were carefully and thoroughly inspected by experienced officers of the Home Bank, whose valuation was accepted by La Banque Internationale. The agreement was submitted to the shareholders of that bank at a general meeting and approved, and then, having received the approval of the Governor-in-Council, was formally carried into effect on the 15th day of April last. The result of this purchase is that the balance of our unsubscribed capital has been taken up, a substantial sum received for the Rest, and a connection established in Montreal and in the province of Quebec which should prove valuable, and ten branches taken over and continued.

Authority was given under by-law No. 8 to establish a pension fund, and you will be asked to vote a sum for that purpose. Some necessary changes in the by-laws will be submitted for your approval, and also a by-law to authorize the increase of the capital stock to \$5,000,000.

During the year Mr. W. Parkyn Murray resigned from his position on the board, and Mr. C. B. McNaught was elected a director in his stead.

No new branches of the Home Bank were opened, but arrangements are being made to open two more offices in the city of Toronto.

One hundred and sixty-five (165) shareholders have been added during the year, and the total number now is 1,836.

The usual examination by the directors of the treasury and securities was made, and the branches inspected.

Senator James Mason, the General Manager, then read the following report:—

The net profits for the year are nearly 12 per cent. on the average Paid-up Capital—deposits show an increase of nearly \$1,000,000. The whole of the authorized capital, \$2,000,000, is now taken, and almost entirely paid up—the Reserve Fund or Rest has been increased by \$200,000, and amounts to \$650,000, being slightly more than one-third of the Paid-up Capital. The total assets amount to \$14,735,100.29, an increase of considerably more than \$2,000,000 over last year.

The purchase of the assets and the taking over of La Banque Internationale—referred to in the Directors' Report—increases the scope of the bank's operations in various ways—one important feature being the increased circulation following on the increased Paid-up Capital. The Montreal branch should also grow in time to be of considerable usefulness, inasmuch as that city is becoming a very large grain export point, and in other respects the opening thus made in the province of Quebec should in due course materially add to the volume of the bank's business and profits.

Your approval will be asked for a by-law to increase the capital stock to \$5,000,000—this will only be taken advantage of from time to time as the growing business of the bank may make it necessary to obtain increased Paid-up Capital and the correspondingly increased circulation.

The Bank Act, after long and careful consideration, both in and out of Parliament, has been extended for a further period of ten (10) years—the changes made being considered beneficial both to the public and the banks. Some slight alterations in the by-laws will require to be made by reason of this new Act.

Much regret must be felt at the severance of an active connection, extending over a great many years with the bank and its preceding institutions, of the retiring President, Mr. Eugene O'Keefe, that gentleman having intimated that, owing to continued ill-health and constant inability to attend the meetings of the board, he is compelled to decline re-election. It should be added that the interest always taken by Mr. O'Keefe in the affairs of the bank contributed largely to its success.

Mention should also be made of the death of Mr. R. B. Street, late inspector of the bank. Mr. Street's connection with the Home Savings & Loan Company, the predecessor of the bank, dated back to the year 1879, and he was ever a faithful and efficient officer.

The financial stringency which prevails throughout the business world, chiefly caused by the Balkan War, not yet completely settled, is felt in Canada, and aggravated by the unwise and unwarranted speculation in real estate until recently so widespread, and also by the great expansion of the business of the country, this stringency is likely to continue throughout the year, and more especially during the season when the crops require to be moved, but should prove more or less beneficial by checking over-borrowing on the part of our municipalities, and putting an end to speculative trading of all sorts. The large and steadily increasing immigration into Canada, the extensive railway construction, and the sound condition generally of business and of the manufacturing and other industries can be taken as a reassuring factor.

Crop conditions in the Northwest may be considered fairly satisfactory, the acreage being somewhat increased, and, from the most recent reports, an average crop may be looked for.