

La Banque Nationale

FIFTY-NINTH ANNUAL REPORT, 1919

The Fifty-Ninth Annual General Meeting of the Shareholders of this Institution was Held at the Office of the Bank on Wednesday, the Eleventh of June, 1919, at Three O'clock p.m.

There were present:—Messrs. Rodolphe Audette, J. B. Laliberte, Victor Chateauvert, Nazaire Fortier, Charles Pettigrew, Napoleon Drouin, Napoleon Lavoie, Alph. A. Dechene, J. F. Dumontier, C. Alfred R. Desjardins, N. Arthur Drolet, Pierre Drapeau, Capt. L. Robert Demers, Louis Drouin, A. S. Garneau, Charles Grenier, N.P., J. Adhemar Gagnon, J. Ant. Grenier, Elzear Labrecque, M.D., M. A. Labrecque, P. G. Lafrance, S. Jules LaRue, N.P., C. J. Levesque, Henri Lemieux, Charles Noreau, Ferdinand Nadeau, Adjutor Rivard, Col. H. Oct. Roy, N.P., Jos. O. Samson, Geo. V. Tessier, L. P. Thibault, etc., etc.

Mr. Rodolphe Audette was called to the chair, and Mr. P. Lafrance was requested to act as Secretary.

Before proceeding to the reading of the annual report, the following gentlemen were elected scrutineers, viz.: Messrs. N. Arthur Drolet, Charles Grenier, N.P., and Charles Noreau.

The President read the following report of the affairs of the Bank:—

REPORT OF THE BOARD OF DIRECTORS.

Gentlemen Shareholders:—

The Directors have the honor to submit to your approbation the result of the operations of the Bank for the year 1918-19, by the statement of Profit and Loss account, together with the statement of the Assets and Liabilities of the Bank:—

The Balance to the credit of Profit and Loss on 30th April, 1918	\$ 35,249.03
The profits of the year, after paying interest on deposits and deducting bad and doubtful debts	533,450.32

Forming the sum of	\$568,699.35
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which has been disposed as follows:—

To Quarterly Dividends, at the rate of 9% per annum (i.e., 2¼% payable 1st August, 2nd November, 1st February and 1st May)	\$180,000.00
To Reserve Fund	100,000.00
To Depreciation on securities and for contingencies	100,000.00
To Rebate of interest on discounts	45,000.00
To Depreciation on Bank premises	40,000.00
To Depreciation on fixtures	10,000.00
To Pension Fund	25,000.00
To War Tax on circulation	20,000.00

\$520,000.00

Leaving to the credit of Profit and Loss a balance of	48,699.35
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\$568,699.35

Your directors are most happy in submitting to your appreciation a so satisfactory statement of the operations of the year. The results have surpassed all those of the preceding years. Our country, specially the Province of Quebec, in which our interests are for the largest part concentrated, has passed by a period of abnormal prosperity caused by the war, which had ended in this country the beginning of a financial crisis, the first effects of which had been felt. The banks in general, and La Banque Nationale specially, have benefitted by this state of war, which made of our country, apart from its share of soldiers, a producer of munitions and products for the Allies. Our agricultural population particularly benefitted from the extraordinary increase on the price of its products. Our branches and agencies, for the greatest number situated in agricultural centres, have, from this fact, considerably increased their deposits, so much so that the deposits of \$27,213,000 last year, are this year \$37,455,000, an increase of \$10,242,000. The increase in our commercial loans has not been proportionately as high, but we have reimbursed loans made from the Government and we have also bought debentures for a large amount, mostly Government debentures, as shown by the items of our statement in which

those loans are mentioned, which course enabled us to use our surplus of funds and not leave them unproductive. Our Paris branch also shows a considerable increase; the deposits of \$1,211,000 last year, are this year \$1,852,000, an increase of \$641,000 on last year, with a most encouraging prospect for the future. Our current loans, of \$23,647,000 last year, are only \$25,091,000 this year, a small increase of \$1,444,000. To replace this, we have loans on shares and debentures and we possess Government, municipal and other values, to the amount of \$13,135,800, compared to \$9,282,600 last year, an increase of \$3,853,000. Our assets, of \$41,195,000 last year, are \$50,433,000 this year. We have tried, as in the past, to give satisfaction to all the reasonable demands of funds in the cities and in our country branches. We have brought a special attention to the needs of our agriculture, giving to our farmers all the help possible, justifying, by doing so, our name of "Nationale."

It is evident that, since the close of hostilities and the closing of the factories of munitions and other manufactures necessitated by war, the demands for commercial needs have become less and that the demands for ordinary commercial business have not compensated for this diminution. We will, no doubt, have more or less of a calm in the business of the country, a time sufficient to re-establish the equilibrium which the war has disturbed. This normal reconstruction of the affairs of the world will really take its effect only when peace is signed and when the world will be familiar with the new conditions created by the war. So far as we are concerned, without expecting our profits to be as high as those of the year just closed, we think to be able to maintain the fine position in which we are.

In the course of the year, we bought land and have erected, in different centres, buildings to install our offices, buildings which were imposed on us by the importance of the branches and the difficulty of obtaining suitable accommodation. Those buyings of lands and constructions of buildings explain the increase seen in our statement under this heading.

We have considered that, to maintain our buildings and our furniture at a minimum valuation, an appropriation of \$40,000 on our Bank premises and \$10,000 on our furniture should be made. We have continued this year to appropriate an amount for depreciation and contingencies, so as to place for ever in safety our Reserve Fund, which we have created and are increasing regularly. We have also considered, taking into account the large profits realized, to contribute \$25,000 to the Pension Fund of our employees and to resume, this year, the appropriation to increase the reserve for interest not earned on our discounts. \$45,000 has been added to this fund of already \$55,000, which makes it \$100,000. This year, as last year, our employees have been gratified by an allocation of \$54,000 for high cost of living.

The affairs of the institution are prosperous and our financial situation of the best; we feel ourselves justified to tell you that the intention of the present Board is to begin to pay, on the 1st of August next, the dividend on the basis of 10 per cent. a year.

We have opened, in the course of the year, three branches and twenty-one sub-agencies, in part to respond to the demands and needs of the population and also to protect our branches against a too intense competition which exists between the banks. We have closed two sub-agencies.

The branches and sub-agencies have been inspected with care, and our staff has well deserved from the institution by its work and zeal.

We have taken back in our employ all volunteers and conscripts who were in our service just before or during the war, and who have applied for a position; we felt that it was our duty to do so.

Last year, we expressed the wish that the war would be over before the meeting of this year. Providence heard our prayer and those of all the world. The Allies were victorious and the peace they will impose will protect for ever our country and our home from the horrors of war.