"The net profits of the year were $258,000, as compared with $193,000 the previous year, an increase of $65,000. Out of this sum we paid a dividend, $110,000, leaving $148,000 to carry forward, which was supplied, as follows:—

Added to Rest	$50,000
Added to Contingency Fund	75,000
Added to Officers' Pension Fund	5,000
Added to Profit and Loss Account	17,000

"The profit earned on capital and rest combined was over 10 per cent. A continuance of this percentage of profits, of which there appears to be every reasonable expectation, may, at an earlier date than was first anticipated, justify an increase in the dividend to shareholders, and should, at the same time, enable us to add substantially each year to our Rest Account.

Our deposits have increased a million dollars during the year, and I may say this increase is all in ordinary small savings and current accounts; there are no special items of any kind included in these figures.

"I intimated to you last year that, in order to meet the persistent demand of the Western people for a Western Bank, further extension of the Bank's operations would have to be considered. During the year we have increased the number of our branches by seventeen. Two of these new branches opened are in Manitoba, four in British Columbia, and eleven in Saskatchewan.

The very rapid development in the West and the birth of numerous new towns through the construction of so many additional lines of railway made this action necessary, in order to meet the requirements of the districts throughout which we are operating. The good results obtained have amply justified our policy. The business of Ontario branches made substantial progress during the year, and we look for a further advancement in that rich province in the future.

Mention was made in the annual report of the addition to our Winnipeg premises. While our Head Office building, situated on the corner of Portage avenue and Fort street, is one of the best sites in the city, we have hitherto, as you are aware, been very much handicapped by lack of accommodation, and the Directors considered this a great detriment to the banks' business. The reconstructed building, when completed, will present a very handsome appearance, and will be, in all respects, up-to-date and in keeping with the dignity and requirements of a bank having its Head Office in Winnipeg. It is expected that our establishment in the new premises will give a further impetus to our business.

Extensive alterations have also been made in our Vancouver premises, which are situated on the corner of Hastings and Richard streets, one of the most prominent and desirable business sites in the city. The Bank has now in Vancouver a handsome home, in keeping with its situation in the business centre of that great and growing city.

The action on the part of your Directors in purchasing at the beginning central sites in the cities of Western Canada, is an evidence of their confidence in the future of the bank. As an investment the purchases have proved most profitable, as the properties have advanced greatly in value. The ownership of central business sites and substantial banking buildings is recognized as evidence of permanency and stability, and has contributed materially to the success of the bank.

In the five years of the Bank's existence, it has shown a steady growth, worthy of a Western institution, and in that short period it has attained stability and earning power which have verified the expectations of those who invested in its shares at the outset. A reference to the annual statements will show how continuous this growth has been. Beginning with the annual statement of 31st December, 1906, being the end of the first year of the Bank's operations, the results were as follows:—

	1906	1907	1908	1909	1910
Profits	$ 50,502	$ 63,726	$ 130,324	$ 193,464	$ 258,144
Deposits	4,156,488	4,059,298	9,020,017	10,953,577	11,977,591
T'l Assets	6,278,873	7,163,714	13,148,620	15,417,542	17,064,791

While this statement shows a steady growth of the business, and increase in profit, large profts have not by any means been the chief aim of your Directors. Stability has been the watchword. The gentlemen comprising your Board are distinguished as much for caution as for energy in the management of their own affairs. They have resided many years in the West, and their extensive business experience and connection is a guarantee that the affairs of the bank will be conducted on safe, energetic and enterprising lines. Their standing and influence in the West should insure the stability of any institution with which they are connected.

The local Directors of the Bank at Toronto, Woodstock and Edmonton are prominent and active business men, who give their active support and close attention to the affairs of the Bank.

The ever-increasing volume of business resulting from the rapid settlement of Western Canada encourages the belief that a bank established in the West, as the Northern Crown Bank now is, must have a great and useful future before it.

I now move that the report now read be adopted and printed and distributed among the shareholders."

In seconding the adoption of the report, the Hon. R. P. Roblin, Premier of Manitoba, said:—

"I am sure that not only the shareholders of the Bank will be gratified by the satisfactory statement that the Directors have been able to submit, as the result of the year's business, but also the general public of Western Canada, and I think I can include Eastern Canada as well, will be pleased to know that the Northern Crown Bank is making the substantial progress that the annual report shows.

"I presume the shareholders know that it is, and has been, no easy matter to establish a Western bank with headquarters in Winnipeg. The older and necessarily stronger banks, who were here and were doing the business, while courteous and friendly to a degree that makes us feel grateful, yet were not willing to give us any proportion of their business that was safe and profitable. We could not expect that, and the Northern Crown Bank, therefore, was compelled to create a constituency of its own, which it has done most successfully, as the report shows. They have been able to do this by virtue of the extraordinary growth and development of Western Canada, coupled with the loyalty of the citizens of Western Canada to a home institution.

"I think that, as shareholders, we have reason to congratulate ourselves upon the highly satisfactory condition that the bank is in to-day. We are safely launched under conditions and a promise for the future that are most encouraging; we are sailing to a most favorable breeze of public favor in this Western Canada as well, and I believe, no matter what cross currents we may run into, that nothing will prevent us from a continuation of the degree of prosperity that we have enjoyed thus far.

"It is true that we have not paid as high a dividend—or as great a dividend—as some of the shareholders would have liked. That arises, gentlemen, from the fact that the men who constitute the Board of Management, or the Directorate, desire to strengthen and buttress the Bank's reputation and position by large reserve, or profit and loss account, and I think you will agree with the Directorate when you take and view matters for yourself. To me it is the wisest and best, as well as the safest course they could pursue, and just in proportion as they increase that reserve, or profit and loss account, or whatever you choose to call it, will the value of your shares be increased, and I think when we have run a period such as Sir Daniel has referred to in connection with other banks, that with the same conservative management that we have had in the past, the value of the stock of the Northern Crown Bank will be as great as any other institution of a similar kind in Canada, East or West.

"I do not know that it is necessary for me to emphasize any other feature of the Bank's record in the past year. The growth has been steady; it is absolutely safe; the funds have been invested in every case after the most careful enquiry that the best and most successful business men in the city of Winnipeg could give—and I do not include myself, because I am not, as you are aware, in business—so that the losses for the past year are practically nil. The fact that each year there is a steady, healthy growth is the most encouraging sign, or report, that could be submitted to you.

"I have much pleasure in seconding the motion of the President that the report be received and adopted."

Mr. Jas. H. Ashdown said:—

"The progress of the Bank has been good. It has had in its early days, some difficulties to contend with. We may have made mistakes, the Bank may have made mistakes, but we are certainly over them to-day, and the progress is good. The foundation has been laid, and any step the directors may take, I think the shareholders may rest assured that they are perfectly justified in their action. We are all interested alike, but we, as Directors, naturally feel the responsibility greater. We have at the present moment before us the fact that a Bank has failed in the Eastern Provinces, with very disastrous results. It does not affect us in the West, but it does affect every new Bank to a certain extent in the Eastern Provinces, and it is desirable, therefore, that we should go slowly. We have paid 110 for our stock. We are not getting a fair return on our investment, according to the rate that ordinarily prevails in this country, but we have a security there that is going to improve year by year, and we will in a very short time be getting considerably more than we have paid for it.

"I think it is advisable that we should go slow, and that we should divide up our loans in such a way that we can never meet with any particular loss, and it is upon this principle that we have been working, and it is working in this way that we can expect to do the best.

"I think that there is no doubt whatever as to the future of the Bank—no doubt whatever—and I believe it will succeed, and that year by year, as time goes by, you will have more reason to be satisfied with the results."

Mr. Nicholas Bawlf and Dr. Hutchison also spoke in favor of the motion.

It was then moved by Mr. A. B. Hudson, and seconded by Mr. F. Steele, that the annual election of Directors be now proceeded with.

The scrutineers reported the following gentlemen duly re-elected Directors for the ensuing year:—

Sir D. H. McMillan, K.C.M.G.
Capt. William Robinson.
Mr. D. C. Cameron.
Mr. W. C. Leistikow.
Mr. F. Nation.
Mr. J. H. Ashdown.
Mr. H. T. Champion.
Hon. R. P. Roblin.

President says:—

"Capt. Robinson is absent at the Coast on business for the Bank. I might say the Captain devotes a great deal of time to the Bank's business—quite as much, I think, as he does to his own business."

At a meeting of the newly elected Directors, held immediately after the adjournment of the annual meeting, Sir D. H. McMillan, K.C.M.G., was re-elected President, and Capt. William Robinson, Vice-President.