

THE
Bank of Toronto

THE Thirty-sixth Annual Meeting of the stockholders of the Bank of Toronto was held on the 15th inst.

On motion George Gooderham, Esq., was called to the chair and Mr. Coulson was requested to act as Secretary.

Messrs. Walter S. Lee and Thos. G. Blackstock were appointed Scrutineers.

By request of the Chairman, the Secretary read the following

REPORT:

The Directors of the Bank of Toronto have pleasure in presenting to the Shareholders the Thirty-sixth Annual Report, together with a statement of the accounts, as on May 31st last.

The net profits realized compare favorably with former years, and the Bank continues to show an increase in all the departments of its business.

Your Directors are pleased to report that they have been able to place \$50,000 to the credit of Profit and Loss Account, representing amounts recovered from debts which had been written off in previous years.

The balance at credit of Profit and Loss, on May 30, 1891, was.....	\$6,258 61
The Net Profits for the year after making full provision for all losses and deducting expenses, interest accrued on deposits and rebate on current discounts, amount to the sum of.....	282,725 34
Amount recovered from debts written off in previous years.....	50,000 00
	<u>\$338,983 95</u>

This sum has been appropriated as follows:—

Dividend No. 71, Five per cent.....	\$100,000 00
Dividend No. 72, Five per cent.....	100,000 00
Added to Rest Account.....	100,000 00
Carried forward to next year.....	38,983 95
	<u>338,983 95</u>

With the above mentioned addition of \$100,000 to the Rest, that fund now amounts to \$1,700,000.

An office of the Bank has been recently opened in the Point St. Charles District, in the City of Montreal, and your Directors believe it will prove to be of service to the Bank.

The Directors have to refer with deep regret to the loss the Bank has sustained in the decease of their late colleague, Mr. John Leys. His tenure of office was a short one, but he rendered the Bank essential service and his counsels were highly valued. The vacancy thus caused was filled by the election of Mr. Robert Reford, of Montreal.

The Directors have pleasure in testifying to the satisfactory manner in which the officers of the Bank have performed their respective duties.

The whole respectfully submitted.

(Signed) **GEORGE GOODERHAM,**
President.

GENERAL STATEMENT, MAY 31, 1892.

LIABILITIES.

Notes in circulation.....	\$1,473,327 00
Deposits bearing interest.....	\$6,496,621 55
Deposits not bearing interest.....	1,390,807 71
	<u>7,817,429 26</u>

Balances due to other banks.....	\$63,887 99
Unclaimed dividends....	\$ 130 00
Half-yearly dividend, payable June 1, 92.....	100,000 00
	<u>100,130 00</u>
Total liabilities to the public.....	\$9,651,754 25
Capital paid up.....	\$2,000,000 00
Reserve.....	1,700,000 00
Interest accrued on deposit receipts.....	\$51,240 00
Rebate on notes discounted.....	78,663 00
	<u>129,903 00</u>
Balance of Profit and Loss Account carried forward.....	38,983 95
	<u>3,868,886 95</u>
	<u>\$13,523,641 20</u>

ASSETS.

Gold and silver coin on hand.....	\$ 349,246 40
Dominion notes on hand.....	815,844 00
Notes and cheques of other banks.....	282,354 88
Balances due from other banks in Canada.....	31,365 50
Balances due from agents of the Bank in Great Britain.....	36,668 81
Balances due from agents of the Bank in the United States.....	842,226 30
Deposit with Dominion Government for security of note circulation.....	37,141 00
Municipal debentures.....	86,626 12
	<u>2,481,473 01</u>
Loans and bills discounted.....	\$10,912,887 25
Overdue debts (estimated loss provided for).....	3,065 02
Real estate other than Bank premises.....	6,215 92
	<u>10,922,168 19</u>
Bank premises.....	120,000 00
	<u>\$13,523,641 20</u>

(Signed) **D. COULSON,**
General Manager.

The above having been read, the President, George Gooderham, Esq., addressed the meeting as follows:

GENTLEMEN,—In moving the adoption of the report which has just been read, I would take the opportunity of very briefly calling your attention to some of the subjects referred to therein.

Speaking of the past year generally, the most conspicuous feature in the financial situation throughout the world has been the continual accumulation of unemployed money, which has been accompanied by a state of heaviness in general business, and an absence of new outlets for capital. In the United States the extraordinary production and export of breadstuffs, cotton and other products, together with the steadily increasing amount of silver notes issued against purchases of silver made by the Treasury under the Act of 1890, caused a plethora of available bank funds in that country, while the steady decline in the gold surplus and the uncertainty as to the future effect of the silver laws produced a state of inactivity and distrust. Other causes into which it is not necessary for me to enter have affected other financial centres, and in this country the general features to which I have before referred, have markedly characterized the business situation, producing a state of affairs which has not been favorable to banking operations generally. Under these circumstances it is gratifying to be able to report that we do not show any decrease in our net profits.

As regards the progress of the Bank, you may remember that last year I presented to you some figures showing the increase in the

business of the Bank, taken from our reports at intervals of ten years. A comparison of the figures of this year will show that we have again to report an advance in every department, our circulation having reached a point within \$60,000 of the maximum permitted under our charter, while the volume of our transactions has been greatly in excess of anything we have as yet experienced. The competition which now prevails affects both the rate paid for deposits and the rates obtained upon loans, rendering it difficult to increase the earnings, and it is largely on account of increased business that we have been enabled to maintain our profits.

Referring to other items in the report, I have to call your attention to the sum recovered from debts that had been written off as bad and doubtful. We have always tried to act on the safe side in estimating the results of our yearly business, and in cases where we have felt uncertain as to the future of any of our loans have sought to make ample provision, but we by no means lose sight of anything we write off, and care is taken to nurse these debts back into strength, and to avail ourselves of every opportunity to make the best of them. These old matters are kept constantly before us, and we have the pleasure of placing back amongst our assets proceeds of such debts when realized. From this source we have this year given our profit and loss account credit for \$50,000, which together with the surplus profits after payment of \$200,000 in dividends, has enabled us to add \$100,000 to our Rest, and to bring forward the substantial balance of \$38,983.95 to next year.

The Rest now amounts to \$1,700,000, and it is customary to compare the proportion this fund bears in relation to the capital. Upon this basis our proportion is eighty-five per cent. I prefer, however, to call your attention to the proportion which our Rest bears to our loans and discounts, since it is as a provision against possible losses arising from that source that a Rest should be maintained. Based, therefore, upon nearly \$11,000,000 outstanding in loans, we have a Rest fund of 15½ per cent. Viewed in this way the margin provided as a reserve is by no means too large, and I consider that this fund should continue to maintain a reasonable ratio to our increase in business. I feel that I have but to call your attention to this view of the Rest to secure your approval of our action in strengthening it, and I have to say further that the shareholders are now reaping great benefit from the policy which has been pursued in the past with regard to this fund.

A branch of the Bank at Point St. Charles, in the city of Montreal, was opened very recently, and we have reason to believe it will prove to be of advantage to many of our customers and lead to increased business for the Bank.

The report refers to the loss the Bank has sustained in the death of our late colleague, Mr. John Leys. He had been a member of the Board for a short time only, but rendered valued assistance and gave promise of being a very useful director. To fill the vacancy thus caused, the directors, acting under the powers conferred upon them, elected Mr. Robert Reford, of Montreal, a well-known and highly valued customer of the Bank, it being deemed desirable to have on the Board a representative from that commercial centre, where the Bank's interests are steadily increasing in importance.

I have again pleasure in bearing testimony to the zeal and efficiency with which the General Manager and the other members of the staff continue to discharge their respective duties.