

periodical divisions of surplus. In the early days of the Company, this proportion was twenty per cent. of the profits of the participating branch, but this was gradually reduced to six and two-thirds per cent. And it has now been further cut down to five per cent. Participating policyholders now receive ninety-five per cent. of the profits earned by policies of their own class and in addition ninety-five per cent. of the profits earned by the ordinary non-participating policies.

From the balance standing at the credit of the shareholders' account, a stock dividend was declared of twelve thousand five hundred dollars, making the total amount paid up on each share fifteen dollars.

The Directors also considered it desirable to make use of the power granted by the charter to increase the capital stock. Two thousand new shares were accordingly issued, the existing shareholders being given the preference in the allotment, proportionate to their holdings. The new shares are exactly equivalent to the old, each being of \$100 subscribed value and \$15 paid. The issue price was \$45, or 300 per cent. The avidity with which the new stock was taken up was very gratifying. As a result of this issue, the subscribed capital now stands at \$700,000.00, on which \$105,000 has been paid. The premium of \$60,000 realized on the stock has been put into the general surplus, so that ninety-five per cent. of it will go to the policyholders.

The Company is to be congratulated in having secured the consent of the Most Hon. the Marquis of Dufferin and Ava, the Right Hon. the Earl of Albemarle, and Sir Charles Dalrymple, Bart., M.P., to act as Trustees in connection with the British branch. Canadian municipal securities to the amount of Fifty Thousand Pounds, Sterling, have been deposited with the Bank of Scotland in the names of these Trustees, for the protection of policyholders in Great Britain.

The Directors record with deep regret the death of their much esteemed colleague, Mr. William J. Withall, who had occupied a seat on the Board since 1884 and had always taken a deep interest in the Company's affairs. The vacancy thus caused has been filled by the election of Mr. John Redpath Dougall. The Directors who retire in rotation are Mr. R. Macaulay, Mr. S. H. Ewing, and Mr. J. R. Dougall.

R. MACAULAY,
President.

T. B. MACAULAY,
Secretary.

A. W. OGILVIE,
Vice-President.

STATEMENT OF ACCOUNTS FOR 1897.

INCOME.

Premiums—	
Life (New).....\$	42,858 13
Renewals.....	1,319,451 81
	\$1,747,679 06
Annuities.....	62,015 58
Accident.....	264 61
Premium Income (Thrift Dept.)	42,545 38
	\$1,852,505 53
Less paid for Re-assurances.....	1,083 12
	\$1,851,422 41
Interest.....	286,059 75
Rents, less Taxes and Repairs.....	11,677 19
Increased Capital.....	30,000 00
Premium on Capital Stock issued.....	60,000 00
TOTAL INCOME.....	\$2,239,159 35

DISBURSEMENTS.

Death Claims, including Bonuses.....	\$360,701 43
Matured Endowments " ".....	102,972 94
Annuity Payments.....	14,400 46
Cash Profits paid Policyholders.....	190,996 35
Bonuses, surrendered.....	1,706 06
Surrender Values.....	\$1,566 71
Accident Claims.....	130 00
	\$754,473 95
Dividends on Capital, paid Jan. & July, '97.....	10,312 50
Expense Account.....	\$231,812 43
Commissions.....	262,406 82
Medical Fees.....	33,231 77
Special Expense on establishing Thrift Dept.....	60,526 54
	\$87,997 50
Total Disbursements.....	\$1,354,784 01
Surplus over Disbursements.....	\$886,375 34
	\$2,239,159 35