

As regards the issue of new stock authorized a year ago, it was deemed advisable to call up at first only one-half the amount authorized. This call was well met, the premiums being carried to the credit of the reserve fund. Due notice will be given of the second call.

The directors have the pleasure to report that acting under the authority of the shareholders, they have opened a branch in the city of Montreal, the commercial metropolis of the Dominion. There was some delay in this respect, which was due to the difficulty of securing a site suitable for the business at a moderate cost. The site chosen, lies in the centre of the city, on St. James street, in the Temple building, which is situated about midway between the Place d'Armes and Victoria square. The office has been fitted up with all proper bank appliances, and it is hoped that any shareholder visiting Montreal on business or pleasure, will not fail to call at the office, where Mr. B. Austin, who has been selected as manager, and his very competent staff, will welcome him. It is very pleasant as well as satisfactory to record also that the bank has received a cordial welcome from the other banks doing business in that city.

With reference to the branch at Grand Forks in British Columbia, the directors have the pleasure to report that the business in the mining region has proved successful, and has even demanded a sub-agency at Phoenix, in the very centre of the district known as the "Boundary," of which Grand Forks is the capital. This region is in direct communication with New York by rail, as well as with all parts of Canada, by the Canadian Pacific. The outlook for business is very good, and the development of the mines, which is steadily increasing, promises a good field for business.

The directors have now to allude to a less pleasing, and indeed regrettable matter in the long illness of the general manager, Mr. William Farwell. It became apparent throughout the early part of last year (1900) that change and relaxation from business were needed for Mr. Farwell and he was consequently given leave of absence until the 1st May, which leave has since then been extended. From the latest accounts his health is improved so that he has hopes of being back in Canada shortly. The directors feel sure, that sympathy on the part of the shareholders for Mr. Farwell will not be wanting, coupled with the hope of his steady recovery.

The business of the bank, in the meantime, has not suffered under the able administration of Mr. James MacKinnon, formerly manager of the Cowansville branch, who has been appointed assistant general manager.

The new branch office at Granby has been completed and inspected, and is well adapted for the business of that important town in the Eastern Townships.

It is with great pleasure that the directors have to report their entire satisfaction with the branch managers, and other officers of the bank. The year, an unhealthy one, has told on some of the officers, notably on Mr. S. F. Morey, the chief accountant and inspector, who, under the advice of his physician, was induced to try a change of climate after a serious attack of typhoid fever. In his absence the duties of accountant were successfully performed by Mr. N. Dinning. Mr. Morey has since been able to resume his duties.

The various branches have been duly inspected and the directors have, as usual, audited the accounts and examined the securities at the head office.

In conclusion and in addition to the foregoing remarks on the business of the past year, the directors feel that this report should not omit a reference to the great political event, the death of the late Queen Victoria, which cast a gloom over the whole British Empire, and elicited the heartfelt sympathy of the entire civilized world.

The Queen Empress throughout her whole reign was never forgetful of the duties of her high office, and her domestic virtues as well as her fulfilment of other public acts will never be forgotten, marking her reign as the brightest and most important in British history.

Fortunately for the British Empire she has left as her successor a man of like kindly disposition, experienced in life, and ever ready to minister to all who need sympathy.

Loyalty to the late Queen will not be lacking to her successor, King Edward VII.

God Save the King.

Respectfully submitted,

R. W. HENEKER, President.

PROFIT AND LOSS ACCOUNT.

The statement of profit and loss account for the year ending May 15th, 1901, is as follows:

Balance at credit of profit and loss brought forward from May 15th, 1900	\$ 26,406 14
Profit of head office and branches, after deducting charges of management, interest due depositors, and provision for bad and doubtful debts.....	202,868 46
Premium paid on new issue of capital stock.....	93,578 00
	<u>\$322,852 60</u>

Appropriated as follows:

Dividend of 3½ per cent., paid 2nd January, 1901	\$ 54,581 15
Dividend of 3½ per cent., payable 2nd July, 1901	60,050 36

Bonus of 1 per cent. to shareholders, payable 2nd July, 1901

Transferred to reserve fund	17,157 22
	<u>150,000 00</u>
	281,788 73
Balance carried forward	\$ 41,063 87

THE GENERAL STATEMENT.

The general statement of assets and liabilities, May 15th, 1901, was read as follows:

LIABILITIES

Capital paid up	\$ 1,733,945 00
Reserve fund	\$1,050,000 00
Balance profits carried forward	41,063 87
Dividend No. 83 at 3½ per cent., payable 2nd July next	60,050 36
Bonus to shareholders of 1 per cent., payable 2nd July next	17,157 22
Dividends unclaimed	3,995 58
	<u>\$ 1,172,267 03</u>
	\$ 2,906,212 93
Notes of the bank in circulation.....	\$1,224,100 00
Deposits payable on demand	942,029 29
Deposits payable after notice	4,901,721 65
Due banks in foreign countries.....	15,000 00
Other liabilities	20,430 49
	<u>\$ 7,103,281 43</u>
	\$10,009,493 46

ASSETS.

Specie	\$ 134,594 74
Dominion notes	119,261 00
Bills and cheques on other banks....	40,875 98
Due from other banks in Canada ...	762,999 90
Due from other banks not in Canada	512,515 07
Due banks in the United Kingdom..	26,418 08
Dominion and provincial government debentures or stocks	180,073 42
Municipal debentures	250,500 00
Railway and other bonds and stocks	103,012 67
Call loans on bonds and stocks	40,855 67
Total assets immediately available	<u>\$ 2,171,106 53</u>
Deposits with Dominion government for security of bank note circulation	\$ 70,000 00
Current loans, discounts and advances to the public	7,452,471 14
Real estate other than bank premises	20,923 13
Debt secured by mortgages	49,693 54
Loans overdue, all loss provided for	38,370 15
Other assets	22,222 84
Bank premises and bank furniture...	184,706 13
	<u>\$ 7,838,386 93</u>
	\$10,009,493 46

WM. FARWELL, General Manager.

The president addressed the meeting referring to the various items of the statement, the general business of the bank, and the outlook for the future, and closed by moving the adoption of the report, seconded by the vice-president, Hon. M. H. Cochrane.

After remarks by H. D. Lawrence, P. S. G. Mackenzie, the assistant general manager and others, the report was adopted.

The thanks of the shareholders were then voted the president and directors, and also to the general manager, the assistant-general manager, managers, and other officers of the bank.

The election for directors was then proceeded with, and upon counting the ballots, the scrutineers reported the following shareholders as elected, viz.: R. W. Heneker, Hon. M. H. Cochrane, J. N. Galer, Israel Wood, N. W. Thomas, Gardner Stevens, C. H. Kathan, H. B. Brown, K.C., and J. S. Mitchell, being the old board.

The meeting then adjourned.

At a meeting of the new board the same day, R. W. Heneker was re-elected president, and Hon. M. H. Cochrane, vice-president.

CLEARING HOUSE FIGURES.

The following are the figures of Canadian clearing houses for the week ended with Thursday, June 13th, 1901, compared with those of the previous week:

CLEARINGS.	June 13th, 1901.	June 6th, 1901.
Montreal.....	\$17,727,586	\$18,540,658
Toronto	11,710,753	13,601,102
Winnipeg	2,003,729	1,960,691
Halifax	1,758,727	1,790,320
Hamilton	798,727	835,246
St. John	810,720	865,142
Vancouver	1,181,934	888,897
Victoria.....	611,528	826,710
Quebec.....		1,728,292
	<u>\$</u>	<u>\$41,027,058</u>

Aggregate balances, this week, \$; last week, \$5,908,436