

The Provincial Bank of Canada

Proceedings at the Annual General Meeting held on January 26th at the Banking House, 7 and 9 Place d'Armes.

The sixteenth Annual Meeting of the Shareholders of the Provincial Bank of Canada was held at noon on Wednesday, January 26th, in the Board Room of the Bank's headquarters.

REPORT OF THE DIRECTORS.

Your Directors beg to submit to the shareholders the Annual Report of the Bank's position and operations for the year 1915. Notwithstanding the war which has been going on since our last meeting, the results obtained must be considered as being very satisfactory.

You know, gentlemen, to what extent the position of the banks depends on the general prosperity. During the period we are now reviewing, and particularly during the last six months, agriculture, thanks to the efforts which were spent upon it, has produced crops of a value unheard of before now.

From the industrial and manufacturing point of view, a considerable revival of activity in all the principal branches has been noticed. Consequently, the proportion of unemployed workmen is considerably less than it was at this time in 1914. Only in the building trade has there been a lack of work, and in that branch a few signs of activity are discernible only in certain parts of the country.

Therefore, leaving aside the sanguinary conflict now raging and which we all deplore, and from a point of view strictly economic, we must feel assured that the actual state of affairs has been, on the whole, favorable to us.

At present, as well as during last year, a very high percentage of the assets held by the banks are quick assets. In consequence, and true to the prudent rule of conduct which you have always approved, your directors have continued to maintain the treasury of the Bank at the very highest figures, as appears from the general statement. This method of administration, which we hope will invariably be ours, has advantages which circumstances have often given us occasion to appreciate; but, notwithstanding that fact, we have not been obliged to reduce the amount of loans which we make in normal times to our commercial and industrial patrons. As a matter of fact, our current or commercial loans show a notable increase over last year.

It is appropriate to mention that the chapter of deposits shows an increase relatively large this year, namely, upwards of \$1,300,000. Our liabilities to the public now amount to \$12,624,275.91.

The results of the period just ended show profits of \$196,355.64, that is 19.6 per cent. of the paid capital, or nearly 12 per cent. of both the capital and reserve fund.

From that sum four quarterly dividends, amounting to \$70,000, have been paid and the sum of \$9,663.96 has been written off the fixtures and furniture of the Bank's offices and branches.

Furthermore, we have put aside the sum of \$90,000 to meet any possible depreciation in our investments. When better times return, this sum will re-appear among

the assets. This temporary allowance for depreciation constitutes, therefore, under the circumstances, another reserve. The sum of \$10,000 has been paid to the Federal Government, as war tax on the Bank's circulation, and the important sum of \$14,553.30 has been paid during the year in provincial, municipal and other taxes.

Following the example of other banks, we deem it our duty to call the attention of our shareholders on this question of taxes. We do not think that any other business in Canada is taxed in the same proportion, and we rely on the justice and equity of the authorities to whom the Bankers' Association of Canada has already addressed itself, to obtain a revision.

The taxes of all kinds which the banks have to pay do not constitute their only burden. A more heavy one is the excessive and unreasonable competition which exists amongst them, and which is manifested by the opening of sub-agencies and branches in places of no commercial importance, and in the opening of new branches in places where there are already enough.

Such a competition is a source of loss not only on account of the parcelling out of business and of deposits which it entails, but also on account of the risks which it causes to assume in the nature of credits which must be granted. Bank directors are therefore favorable to a reform of this system, and we are glad to hear that a committee of bankers has worked in that direction, and that even a certain number of branches have already, as a consequence, been closed. On the day when means are found to regulate this competition, not only will the banks profit thereby, but, indirectly, commerce and industry will be greatly benefited.

Your bank now possesses seventy-five branches established in the Provinces of Quebec, Ontario and New Brunswick, of which two relatively important ones have been opened during the last year: one in the City of Quebec, where we have purchased a suitable building for our offices; the other at St. John, N.B. The establishment of your bank in those two important places had become necessary on account of the system of branches which we already had in those two provinces, and we have reason to believe that we shall obtain good results from this new move. These various buildings, including our head office, have all been visited by our inspectors.

Furthermore, in conformity with the Bank Act, a general audit has been made by the shareholders' representatives, and their certificate, which appears in the general statement, shows the importance of their work.

The Board of Censors, named in your last meeting, have also tendered their annual report, which shall be read to you. These gentlemen have scrupulously accomplished the duties of their office during the past year. This Board for the control of the savings department renders great services to your Bank, and we here feel bound to express to its members our warmest thanks.

For the Administrators:

(Signed) H. LAPORTE.

REPORT OF THE BOARD OF CENSORS

Montreal, Wednesday, 26th January, 1916

Gentlemen:—

In our capacity of Censors, we beg to submit the report of our labors for the fiscal year of your Bank, terminating on the 31st of December last.

We have regularly held our monthly meetings, and at each one of them all the documents and vouchers necessary for the fulfilment of our mandate were furnished us; after verification, we have found that securities such as municipal bonds and others, together with the cash in the treasury and in bank, exceeded at all times during

the year the amount prescribed by your by-laws to meet the possible demands of the depositors.

The rapid and constant progress of your Institution since its foundation and the very high proportion of its liquid assets show that it is administered with zeal and prudence. We are convinced that this brilliant situation must compensate for the great sacrifices made by the founders of the Bank.

In terminating, we beg to join in the very great regrets caused by the death of the Honorable Louis Beaubien.

For the Board of Censors,

(Signed) A. LACOSTE, President.