

GENERAL STATEMENT, 30th November, 1912**LIABILITIES.**

Notes of the Bank in circulation		\$ 16,422,864.68
Deposits not bearing interest	\$ 58,586,813.55	
Deposits bearing interest, including interest accrued to date	139,030,648.45	
		197,617,462.00
Balances due to other Banks in Canada		885,514.94
Balances due to other Banks in foreign countries		2,842,439.50
		\$217,768,281.12
Dividends unpaid		6,429.74
Dividend No. 103 and bonus, payable 1st December		525,000.00
Capital paid up	\$ 15,000,000.00	
Rest	12,500,000.00	
Balance of Profit and Loss Account carried forward	771,578.88	
		28,271,578.88
		\$246,571,289.74

ASSETS.

Coin and Bullion	\$ 11,273,485.39	
Dominion Notes	16,181,480.25	
		27,454,965.64
Balances due by Agents in the United Kingdom	\$ 2,082,538.49	
Balances due by other Banks in foreign countries	4,718,352.03	
Balances due by other Banks in Canada	28,645.40	
Notes of and Cheques on other Banks	10,092,360.90	
		16,921,896.82
Call and Short Loans in Canada		8,779,459.47
Call and Short Loans in the United States		9,003,590.37
Government Bonds, Municipal and other Securities		14,362,116.82
Deposit with the Dominion Government for security of Note circulation		707,000.00
		\$ 77,229,029.12
Other Current Loans and Discounts		163,753,559.28
Overdue Debts (loss fully provided for)		487,738.94
Real Estate (other than Bank Premises)		208,372.77
Mortgages		404,096.95
Bank Premises (including the balance unsold of certain premises acquired from the Eastern Townships Bank)		4,423,993.07
Other Assets		64,499.61
		\$246,571,289.74

ALEXANDER LAIRD, General Manager.

In moving the adoption of the Report, the President called on the General Manager to address the shareholders.

GENERAL MANAGER'S ADDRESS.

The General Manager then said:

We have closed another year with a record of uninterrupted prosperity, and we take pleasure in submitting a report which will compare favourably with any previous statement in the Bank's history.

In reviewing the business of the early part of the year we have to note a steady development. Great industrial activity, accompanied by large orders for manufactured goods of all kinds, gave an impetus to business which at once arrested our attention and produced a feeling of concern lest we should have difficulty in meeting the requirements of our customers. There was apparently a sound and healthy basis for this activity, and the money market was for a time comparatively easy, but we had to look forward to the harvesting of a large crop and were naturally desirous of doing our full share in moving it. The necessity for a close supervision of credits was never so obvious, and this period, usually one of dull and inactive business, proved to be a time for the exercise of great caution.

We had expected the gradual return of better conditions in the great financial centres which, by permitting the marketing of a large amount of first-class securities, would enlarge the supply of available capital, but untoward events in Continental Europe and the uncertainty surrounding an exciting Presidential campaign in the United States made this impossible. The latter half of the year was therefore a time of great stringency and consequent high rates for money, and it became increasingly difficult to satisfy legitimate demands, notwithstanding the inherent soundness of business generally.

With the amalgamation of the Eastern Townships bank

our capital was increased to \$15,000,000. The average capital employed during the year was \$14,210,437, and the net earnings on this amount were \$2,811,806.42, an increase of \$506,397 over last year, being at the rate of 19.78 per cent. This result was attained after making the usual provision for all bad and doubtful debts, and a thorough revaluation of the entire assets of the Bank.

We are pleased to report that an examination of the accounts of the Eastern Townships Bank leaves us no reason to doubt the value of our purchase, and we record our appreciation of the zeal and hearty co-operation of our associates in the difficult task incident to the adjustment of so important an acquisition.

We disbursed in dividends \$1,568,622.43, being at the rate of 10 per cent. per annum, and an extra bonus dividend of 1 per cent. for the year. The policy of paying bonus dividends until such time as we are confident of being able to maintain a higher rate would seem to be a wise precaution, in view of the extraordinary development of our business and the desirability of making ample provision for any contingency likely to arise.

We had expressed the hope that our building programme could be curtailed, but the acquisition of the large territory covered by our eastern branches, and the continued growth in the west, necessitated the opening of a considerable number of branches requiring the building and remodelling of offices on an extensive scale. We have also a serious problem to face in the changes absolutely essential for the proper accommodation of the Head Office and Toronto branch, our present premises having been for several years quite inadequate. Bank Premises account has been increased to \$4,423,993.07, which includes premises acquired from the Eastern Townships Bank, and we have written off \$500,000, keeping the account at approximately 50 per cent. of the value of our properties.

The increase of the staff, now numbering 3,000, required the appropriation of \$75,000 for the Pension Fund. We have