

# THE CANADIAN BANK OF COMMERCE

WITH WHICH IS AMALGAMATED  
THE BANK OF BRITISH COLUMBIA

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HEAD OFFICE - TORONTO, ONTARIO

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CAPITAL PAID-UP	- - - - -	\$8,000,000
REST	- - - - -	\$2,000,000

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## DIRECTORS:

HON. GEORGE A. COX,	- - -	PRESIDENT.
ROBERT KILGOUR, ESQ.,	- - -	VICE-PRESIDENT.
JAMES CRATHERN, ESQ.		MATTHEW LEGGAT, ESQ.
WM. B. HAMILTON, ESQ.	JOHN HOSKIN, ESQ., Q.C., LL.D.	
JOSEPH W. FLAVELLE, ESQ.		W. E. H. MASSEY, ESQ.
	A. KINGMAN, ESQ.	

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## LONDON BOARD:

SIR ROBERT GILLESPIE,	-	Chairman.
HENRY J. GARDINER, ESQ.	T. G. GILLESPIE, ESQ.	
GUY OSWALD SMITH, ESQ.	WILLIAM C. WARD, ESQ.	

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**B. E. WALKER**, General Manager.  
J. H. PLUMMER, Asst. General Manager.  
A. H. IRELAND, Inspector and Superintendent of Branches.





SEAFORTH, ONT.

A similar building has been erected at Cayuga, Ont.



# BRANCHES AND AGENCIES

## ONTARIO—

AYR	PORT PERRY
BARRIE	ST. CATHARINES
BELLEVILLE	SARNIA
BERLIN	SAULT STE. MARIE
BLENHEIM	SEAFORTH
BRANTFORD	SIMCOE
CAYUGA	STRATFORD
CHATHAM	STRATHROY
COLLINGWOOD	TORONTO (Chief Office)
DRESDEN	268 COLLEGE (Cor. Spadina)
DUNDAS	163 KING ST. EAST
DUNNVILLE	399 PARLIAMENT ST.
FORT FRANCES	712 QUEEN ST. EAST
GALT	544 QUEEN ST. WEST
GODERICH	450 YONGE ST. (Cor. College)
GUELPH	791 YONGE ST.
HAMILTON	TORONTO JUNCTION
LONDON	WALKERTON
ORANGEVILLE	WALKERVILLE
OTTAWA	WATERLOO
PARIS	WINDSOR
PARKHILL	WOODSTOCK
PETERBORO	

## QUEBEC—

MONTREAL

## MANITOBA—

WINNIPEG

## YUKON DISTRICT—

DAWSON  
WHITE HORSE

## BRITISH COLUMBIA—

ATLIN	KAMLOOPS	ROSSLAND
CRANBROOK	NANAIMO	SANDON
FERNIE	NELSON	VANCOUVER
GREENWOOD	NEW WESTMINSTER	VICTORIA

## UNITED STATES—

NEW YORK, N.Y.    SAN FRANCISCO, CAL.    PORTLAND, ORE.  
SEATTLE, WASH.    SKAGWAY, ALASKA.

## GREAT BRITAIN—

LONDON, 60 Lombard Street, E.C.

## BANKERS AND CORRESPONDENTS.

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### GREAT BRITAIN—

The Bank of Scotland.  
Lloyd's Bank, Limited.

### INDIA, CHINA AND JAPAN—

Chartered Bank of India, Australia and China.

### AUSTRALIA AND NEW ZEALAND—

Union Bank of Australia, Limited.

### SOUTH AMERICA—

British Bank of South America, Limited.  
London and Brazilian Bank, Limited.

### MEXICO—

Banco de Londres y Mexico.

### WEST INDIES—

Bank of Nova Scotia, Kingston, Jamaica.  
Colonial Bank and Branches.

### BERMUDA—

Bank of Bermuda, Limited, Hamilton.

### SOUTH AFRICA—

Standard Bank of South Africa, Limited.  
Bank of Africa, Limited.

### FRANCE—

Crédit Lyonnais, Paris.  
Messrs. Lazard Frères & Cie, Paris.

### GERMANY—

Deutsche Bank.

### HOLLAND—

Disconto Maatschappij, Rotterdam.

### BELGIUM—

Messrs. J. Matthieu & Fils, Brussels.

### NEW YORK—

The American Exchange National Bank.

### CHICAGO—

Northern Trust Company.

### MARITIME PROVINCES—

The Bank of Nova Scotia.

# THE CANADIAN BANK OF COMMERCE

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## REPORT OF THE PROCEEDINGS

OF

## A SPECIAL MEETING OF SHAREHOLDERS

TUESDAY, 11TH DECEMBER, 1900.

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### PURCHASE OF THE ASSETS OF THE BANK OF BRITISH COLUMBIA.

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Pursuant to notice a special General Meeting of the Shareholders of The Canadian Bank of Commerce was held in the banking-house, Toronto, on Tuesday, 11th December, 1900, at 12 o'clock, to consider and if approved of, to confirm the agreement with the Bank of British Columbia for the purchase of the whole of its assets.

Among those present were :—Hon. George A. Cox, W. E. H. Massey, Robert S. Thompson, John Hoskin, Q.C., LL.D., M. Leggat, Æmilius Jarvis, William Spry, H. A. Ware, Robert Kilgour, J. W. Flavelle, Dennis Teahan, W. B. Hamilton, H. B. Walker, F. J. D. Smith, Philip Browne and Miss Robinson.

On motion, the President, Hon. George A. Cox, was requested to take the chair, and Mr. J. H. Plummer, the Assistant General Manager, was appointed Secretary.

On motion of Mr. Robert Kilgour, seconded by Mr. W. E. H. Massey, Messrs. Philip Browne and Æmilius Jarvis were appointed scrutineers.

The Secretary was then called upon to read the notice calling the meeting, and also the circular which had been mailed to each Shareholder in connection therewith. After this had been done the Chairman addressed the meeting as follows :—

At a meeting of the Shareholders of this Bank, held on the 20th August last, a preliminary agreement was approved, in terms of which the Directors were authorized to acquire the business of the Bank of British Columbia, provided upon an examination of its assets and liabilities it was thought desirable to do so. This examination has been made, and we have now to report that in our opinion the transaction should be consummated. The amendment to the Bank Act which has been passed since the date of the preliminary agreement, requires that the actual deed of purchase shall be approved by two-thirds of the Shareholders of the selling bank, and by a majority of the Shareholders of the purchasing bank. On the 6th instant the Shareholders of the Bank of British Columbia, by a unanimous vote of over three-fourths of the entire stock, approved of the deed, and the Shareholders of this Bank are now asked to express their approval.

Before reading the deed of purchase and offering the necessary resolution, it will be well to explain briefly what steps have been taken to establish the wisdom of completing the transaction. Our first step was of course to satisfy ourselves as to the quality of the business and assets of the Bank of British Columbia, and immediately after the passage of the resolution on the 20th August the Assistant General Manager, assisted by several Branch Managers, proceeded to examine in detail the business of each branch. This examination having satisfied us as to the quality of the bank's assets, and as to its earning power, the next step was undertaken, namely, the inspection of the bank in order to actually verify the assets and liabilities. This involved commencing on the same day the inspection of the cash, securities and accounts of ten offices in British Columbia, Oregon and California, and one in London, England, requiring on this side alone the services of about twenty-five experienced officers. The inspection has now been concluded, with satisfactory results.

In valuing such a business, in addition to the task of setting a price upon the assets existing at the moment, two



points of great importance had to be kept clearly in view : First, the quality of the business, a somewhat different matter from the mere ability to realize the purchase price ; and, second, the quality of the managers and staff. The business of a bank might be bought at a very good price so far as the power to realize on the assets is concerned, and yet it might all be of a quality inferior to our own standard of accounts, and would therefore have to be liquidated, thus destroying the good-will. In like manner a staff might be acquired, but if not a good staff the same process of elimination would have to take place. It is therefore a great satisfaction to be able to report that the current business of the bank is in every way excellent, and that it is in charge of managers of ability and experience, who, with the other officers of the bank, will be a welcome addition to our staff.

In valuing the items in default, particularly certain parcels of real estate which fell into the hands of the Bank of British Columbia as the result of the expansion in Oregon, Washington and British Columbia some years ago, we have endeavoured to follow a course which will result in early sales, and will in no event cause us any anxiety as to the outcome. The entire amount now depending on such realization is quite small, and as our valuations have been made quite independently of the Bank of British Columbia, we have valued everything of this character on a very severe basis. The result, of course, is to lessen somewhat the premium resulting on the \$2,000,000 of our stock which the Shareholders of the Bank of British Columbia are to receive, but there can be no doubt that our policy is safer than if more sanguine views were indulged. The resulting premium on the stock is about 30 per cent., and the difference between 130 and the market value may be regarded as the price we pay for the good-will of the selling bank.

It is to be remembered that we undertook to place the officers of the selling bank in as good a position regarding our Pension Fund as if they had been in this service instead of that

of the Bank of British Columbia, and the cost of this, which may be as much as \$75,000 to \$100,000, must be considered in connection with the price paid indirectly for good-will.

The completion of the purchase will, as you are aware, call for the creation and issue of \$2,000,000 of new stock, increasing our capital from \$6,000,000 to \$8,000,000. Your approval of the agreement, followed by the approval of the Governor in Council, will be sufficient authority for the issue of this new stock.

As the figures showing the result of the amalgamated business will be placed before the public in the first government return made after the consent of the Government to the purchase has been obtained, it will be necessary to deal with the profits arising from the transaction before the end of our fiscal year. We therefore propose, with your approval, to transfer from these profits and from the ordinary profits of the Bank the sum of \$750,000, which when done will make our Reserve Fund \$2,000,000, in accordance with the hope already expressed.

The President then moved the following resolution, seconded by the Vice-President :—

That the agreement of sale and purchase between the Bank of British Columbia and The Canadian Bank of Commerce for the sale and purchase of the whole of the assets of the Bank of British Columbia, now submitted to the Shareholders of The Canadian Bank of Commerce at a special general meeting thereof called for the purpose, be, and the same is hereby approved.

In seconding the motion Mr. Kilgour said :—I have much pleasure in seconding the resolution. I think we are all agreed that the progress which the country will make in the next ten or fifteen years will be largely in the West ; the conditions at least seem to indicate this. This being the case the desirability of this Bank having branches at the important points in British Columbia and on the Pacific Coast is evident. By taking over the business of the Bank of British

Columbia we shall have branches in all of the important cities and towns out there, and be in a position to take advantage of the extending trade with China and the East which we have every reason to expect.

The President.—Before I put the resolution, the Secretary will read the agreement, and I will ask the General Manager and Assistant General Manager to address the meeting. If any of the Shareholders would like to ask any questions we should be pleased to answer them.

The Secretary read the formal agreement between the Bank of British Columbia and The Canadian Bank of Commerce, the chief points in which may be summarized as follows :—

The Canadian Bank of Commerce acquires all the assets of the Bank of British Columbia, assumes all its liabilities, and for the capital and surplus in the business gives the Bank of British Columbia \$2,000,000 paid-up stock in The Canadian Bank of Commerce and \$312,000 in cash.

The Shareholders of the Bank of British Columbia are to receive interest on their capital at five per cent. until the purchase takes effect, and will receive dividend on the new stock they acquire in The Canadian Bank of Commerce from that date forward.

Such members of the staff and other employees of the Bank of British Columbia as may desire to enter the service of The Canadian Bank of Commerce are to be taken over at the same salaries and on the same conditions as they are now under in the service of the Bank of British Columbia. The members of the staff so taken over are to be placed on the same level as regards the Pension Fund of The Canadian Bank of Commerce as the present members of the staff of the Bank.

The Board of Directors of the Bank of British Columbia in London is to be continued as a local board of The Canadian Bank of Commerce.

Mr. Walker.—The deed of purchase and sale which has been read to you is precisely the same in its intent as the

agreement already passed by you, but the amendment to the Bank Act passed since our meeting requires that the deed in its present form shall be submitted to you. As to the transaction itself, I need say nothing further except to assure you that the examination by this Bank has been most carefully conducted. We realized, as the President has said, that we had a great deal more to consider than merely whether the value of the assets of the Bank of British Columbia would result in a handsome premium on our stock. We had to be sure that we were buying a business which we would desire to keep. We also wanted to make sure, when we did so serious a thing as to take over the staff of another bank, that we should have men who would be a desirable addition to our staff. These are not the matters which are most prominent in the minds of the Shareholders, but they are of great importance in the minds of the executive officers. On these points we have been pleased beyond our expectation. The business of the Bank of British Columbia is quite up to our own standard, which is, of course, a very agreeable thing for us to feel sure about. I shall not say anything about the staff, leaving that to Mr. Plummer. I wish, however, to say, that we owe thanks to many of the subordinate officers of this Bank, who rendered assistance in the work of inspection. A great corps of them was required, and some of them gave their holidays for the work.

With regard to the transaction itself, I have said that we are satisfied upon those points which intrude themselves less on the public mind, namely, the character of the business and of the bank officers. So far as the premium resulting on our stock is concerned, that is about what we expected. After we have written the assets down, we have a premium of a little over \$600,000 on our \$2,000,000 of stock. The item of real estate is one to which we would like particularly to draw your attention. We knew that the Bank of British Columbia had suffered misfortune in connection with which real estate came into their hands, but when I state that the

real estate as it will appear in our accounts is only about one per cent. of their entire assets, or about \$150,000 in all, you will realize that it is not a serious thing from our point of view, and that our position will be a comfortable one in this respect. We could have taken a more favourable view of this item, and thus shown a larger premium on our stock, but we concerned ourselves a great deal more as to whether the business we were taking over would enable us to make good earnings in the future, than as to the premium on our stock.

Mr. Plummer.—I am very glad to have the opportunity of saying a few words about the staff of the Bank of British Columbia. I met most of the men in that service while I was in the West, and I found them to be a body of men which any bank might be proud to have in its service. They will certainly be a welcome addition to our ranks. We are gaining many valuable officers, and from what I learned of them in the three months spent among them, I feel sanguine that before very long the entire staff, new and old, will be animated with the same good spirit which I am glad to say now prevails among the staff of The Canadian Bank of Commerce. Our new fellow officers may be a little disappointed at first that the larger field which they have entered does not offer them speedier chances of promotion. It is hard to keep pace with the ambitions and the growing claims of any active body of men serving such an institution as this, but we believe that those who join us from the Bank of British Columbia will soon be satisfied that at least they receive equal consideration with the members of our present staff, and have equal chances of promotion. It will, at any rate, be our aim to remove as rapidly as possible any idea of a line of demarcation between the staffs of the two banks.

I would like to add a word of appreciation of the spirit in which the inspecting officers were received by the managers and other officers of the Bank of British Columbia. Inspection is never very pleasant work for those who are inspected, but

nothing could exceed the cordiality and good will with which we were met. We are indebted for much kindness and many courtesies and assistance in our arduous work.

I would also like to say by way of addition to the President's statement, that the inspection of the various branches showed a very satisfactory state of affairs within the bank. Their routine system is perhaps not so modern as ours, but it is very thorough, and what is of the greatest importance, the work thereunder is very well done.

I need not add anything about the business of the bank, as the President and General Manager have already spoken with regard to that, but I will say that I came back from my prolonged visit there with a very high opinion indeed of the business of the large offices on the coast, and I regard the smaller branches as quite equal to similar branches in the east, with good prospects of growth.

Dr. Hoskin.—The putting of this resolution to the meeting practically closes the business for which we have been called together, but while the voting papers are being prepared I should like to say a few words which I and others here think should be said. It is an easy thing to come here and complete this transaction in less than half an hour, but only those who have seen the work that has been done can adequately appreciate the labour and skill and anxiety that have been involved in reaching this result. The Shareholders, I am sure, are very much indebted to the General Manager and Assistant General Manager, and to the members of the staff who have been engaged in bringing about the consummation which has been presented to you to-day. Mr. Plummer headed the staff that went out, and I was very much struck when hearing the reports made by him from time to time with the amount of labour involved and the skill required in dealing with such a matter. I think the gentlemen I have named are entitled to the thanks of the Shareholders for all that they have done, and done well, to the advantage and benefit of the Shareholders of this Bank. I therefore move

that the thanks of the Shareholders be tendered to the General Manager, the Assistant General Manager and the members of the staff who assisted in the examination.

Mr. Flavelle.—I have great pleasure in endorsing what Dr. Hoskin has said. As a Shareholder of the Bank, I am pleased that this resolution has no formal appearance, but is rather a spontaneous expression of the appreciation of the Shareholders of the services rendered by the executive officers of the Bank, and particularly by the General Manager and Assistant General Manager. As Dr. Hoskin has fairly said, it is difficult for the Shareholders, indeed for any of us, to recognize in the short form of agreement that has been presented to us, and in the various figures that have been brought before us, the amount of patient labour and intelligent hard work that were necessary to accomplish this result. I regard the transaction as an entirely satisfactory one for the Shareholders, and I think, and I am sure the Shareholders will agree, that it reflects great credit upon the officers of the Bank, not only in respect to the technical skill and knowledge required, but upon their wisdom and sound judgment.

The President.—This resolution, I am sure, gives an expression to the feeling of every member of the Board, and of every Shareholder of the Bank. It goes without saying that the transaction is a good one for The Canadian Bank of Commerce. That it has been handled with ability and skill we are well satisfied. I have pleasure in submitting the resolution to the Shareholders.

The motion being put was carried unanimously.

In reply Mr. Walker expressed his appreciation of the resolution, which, on this occasion at least, had nothing formal about it. He did not remember in all the forty years of his experience as a banker anything which had required so much thought and consideration and persistent work, increased in his own case by the extra work devolving on him through Mr. Plummer's absence. That he regarded the steps which had been taken as wise was plain from the decision reached,

but he would like the Shareholders to remember its great importance also. What the results might be only the future would tell. The handling of sixty millions of assets was not an easy task, yet he had confidence that with the assistance of the Directors the business could be managed with success and profit.

Mr. Plummer also expressed his appreciation of the resolution. He was sure that the officers would much appreciate it, and spoke of the help afforded by Mr. Morris, Manager at Vancouver, the Ottawa, Winnipeg and Seattle Managers, the Agent at Chicago, the officers of the Inspection Department and others.

The vote on the resolution confirming the agreement was then taken, and the scrutineers reported the same to be carried unanimously by a vote representing 61,342 shares, or \$3,071,600 of the capital stock of the Bank.

The meeting then adjourned.