

its falling off, and the large amount held in deposit is a proof of the confidence which we enjoy in the public estimation.

This year the deposits throughout the bank are..... \$4,264,776
Last year they were..... 3,828,516

Increase..... \$ 436,260

This year the circulation is..... \$ 698,047
Last year it was..... 669,231

Increase..... \$ 28,816

This year the loans and discounts are..... \$6,943,866
Last year they were..... 6,715,326

Increase..... \$ 228,540

This year the balance at credit of Profit and Loss is..... \$ 106,202
Last year it was..... 37,809

Increase..... \$ 68,393

The foregoing items represent, I may say, the working accounts of the bank, and their present condition compares favorably with that of the previous year. We now have to contrast some other features in the statements submitted to you:—

Last year the overdue debts secured and other security amounted to.... \$273,486
This year they amount to..... 203,794

A decrease of..... \$ 69,692

Last year the overdue debts not specially secured amounted to..... \$ 43,920
This year to..... 17,165

Decrease..... \$ 26,755

While expressing some satisfaction with the result of the year's business, I am not desirous of conveying any sanguine impressions respecting the future; neither would I wish to convey a desponding impression of our prospects. As I have often said, banking business is embodied in commercial business, and is, consequently, exposed to the vicissitudes and contingencies of trade; if money is spent freely in the construction of railways and public works; if the country is enriched by abundant crops; if sales are readily made abroad of our products of dairy, soil and forest, merchants and manufacturers thrive—and banks participate in the general prosperity. These are common facts patent to every observer. My directors have referred to the falling off of the timber trade, and no doubt influences are at work detrimental to the prosperity of the port. The shipping business has been nearly wrecked by the mistaken policy of the Ship Laborers' Society; and the port of Montreal is now competing successfully for the shipment of several lines of our wood goods. Let us nevertheless hope. It is alleged that there are signs of improvement in the English market for timber, which will benefit our merchants here, and my directors have informed you that there is an active demand at Ottawa for sawed lumber for the American market. At Montreal the business of the branch continues to increase. Our vice-president, Mr. Withall, now a resident of Montreal, takes a deep interest in the working of the branch, and the executive there derives great advantage from advising with him on all subjects of business importance. The Lake St. John railway, in process of construction, to which I alluded last year, is now approaching its terminus at the lake; and in this connection the city will no doubt derive many substantial advantages.

Gentlemen, I cannot let you leave the meeting without referring with feelings of sincere sorrow to the death of Mr. Smithers, president of the Bank of Montreal, so long and so favorably known in financial circles. I had the pleasure of being on terms of intimacy with Mr. Smithers, having been associated with him in the service of the bank of Montreal for several years. A more genial, able, upright man I have seldom had the good fortune to know intimately.

The report was adopted. After the customary votes of thanks, the scrutineers reported the following gentlemen elected to serve on the board for the ensuing year, viz.:—Hon. J. G. Ross, W. Withall, Esq., Sir N. F. Belleau, K. C.M.G., R. H. Smith, Esq., W. White, Esq., J. R. Young, Esq., G. R. Renfrew, Esq.

EASTERN TOWNSHIPS BANK.

The annual general meeting of shareholders in this bank was held at the head office of the bank in Sherbrooke, Que., on Wednesday, 1st day of June inst., only a small number of shareholders being present. The general manager having read the notice of the meeting, on motion of Rev. A. C. Scarth, seconded by Thos. Hart, the president, Mr. R. W. Heneker, was elected chairman.

Mr. W. Farwell, the general manager, was then chosen secretary of the meeting, Rev. A. C. Scarth and George H. Pierce being made scrutineers of votes.

The minutes of last meeting having been read, were confirmed, after which the president, on behalf of the directors, presented the following

REPORT.

The directors have the pleasure to submit to the shareholders the balance sheet of the bank at the close of the financial year, the 15th May, together with a statement of profit and loss showing the results of the operations of the year.

The net profit—after deducting expenses of management, and providing for all bad and doubtful debts—has been \$147,685.23, as against, for the previous year, \$109,230.71. If the balance of profit from 1886 be added to the above sum (\$11,860.10), it will be found that there was a total available profit for the year of \$159,545.33.

This has been applied as follows: The usual half yearly dividend of 3½ per cent. was paid on the 3rd January last, which absorbed.... \$50,876 90
And the directors at their meeting yesterday declared another half yearly dividend of 3½ per cent., payable on the 2nd July next, which will require..... 50,952 35

Making total in dividends..... \$101,829 25

This leaves \$57,716.08 unappropriated. The directors have out of this applied:

To the reserve fund .. \$50,000 00
In reduction of bank premises and furniture account 2,100 00
Amt. carried forward.. 5,616 08
\$57,716 08

The reserve fund thus augmented now stands at \$425,000, or over 29 per cent. of the capital; and the directors congratulate the shareholders on their being able again to add to this fund. The shareholders fully understand how greatly a provision of this kind adds to the strength of the bank, securing to the investor the maintenance of a steady dividend.

The branches have been as usual carefully inspected, and the books and accounts, the securities and other affairs of the head office have been carefully examined and audited.

The question of keeping open the branch at West Farnham has been long under consideration. After a fair trial it has been found that the volume of business is too small, and the branch must be closed. The directors regret this, as the bank has many friends in the place and neighborhood, but they hope to accommodate the greater part of them at their other branches near by.

At the same time they have been induced to entertain favorably the request of the business community of Huntingdon, a village and township comprising men of enterprise and activity, in the midst of a fertile country, but not at present provided with banking facilities through an incorporated bank. They believe that in time a good profitable business may be developed, mutually satisfactory to the people of the district and to the shareholders of the Eastern Townships Bank.

The closing of the branch at West Farnham and the opening at Huntingdon will take place at once.

The whole respectfully submitted.

R. W. HENEKER,
President.

PROFIT AND LOSS STATEMENT FOR YEAR ENDING MAY 14TH, 1887.

Balance at credit of profit and loss carried forward from 15th May, 1886 \$ 11,860 10
Profit of head office and branches, after deducting charges of management, interest due de-

positors, and providing for bad and doubtful debts..... 147,685 23

159,545 33

Deduct:—

Dividend of 3½ per cent. paid January 3rd, 1887.....\$ 50,876 90
Dividend of 3½ per cent., payable July 2nd, 1887..... 50,952 35
Carried to bank premises and furniture account 2,100 00
Carried to reserve fund 50,000 00 153,929 25

Balance of profit and loss carried forward..... \$5,616 08
GENERAL BALANCE SHEET, MAY 14TH, 1887.

Liabilities.

Capital paid in \$1,456,136 30
Reserve fund \$ 425,000 00
Profit and loss bal.. 5,616 08
Dividend No. 55 of 3½ per cent., payable 2nd July next 50,952 35 481,568 43

E. T. bank bills in circulation 722,137 00
Dominion deposits on demand 25,973 75
Provincial deposits on demand 22,391 20
Other deposits on demand 329,888 81
Other deposits after notice 1,626,797 72
Dividends unclaimed 2,118 35
Due other banks in Canada 36,793 71
Due banks in United Kingdom 47,622 30 \$2,813,722 84

\$4,751,427 57

Assets.

Specie \$ 113,855 43
Dominion notes .. 89,150 00
Bills and cheques on other banks.. 24,856 90
Due from other banks in Canada 259,412 40
Due from other banks not in Canada.... 274,808 67
Due from other banks, secured .. 28,424 16 790,507 56

Bank premises and furniture 100,000 00
Current loans, discounts and advances to the public 3,692,812 32
Dominion Government debentures.. 13,000 00
Other assets 7,715 48
Notes and bills overdue & other debts secured by mortgage, & real estate 137,024 72
Notes and bills overdue & other overdue debts, not specially secured (all estimated loss provided for)..... 10,367 49 3,960,920 01

\$4,751,427 57

WM. FARWELL,
General Manager.

After reading the report, the president addressed the meeting at some length, and closed by moving its adoption. This was seconded by Mr. J. B. Paddon, and after remarks by several shareholders, was unanimously carried.

The thanks of the meeting were voted to the president and directors, also to the general manager, managers, and other officers of the bank.

The meeting then proceeded to the election of directors, and after all the votes had been cast, the scrutineers reported the old board re-elected, viz: Messrs. R. W. Heneker, G. G. Stevens, Hon. J. H. Pope, Hon. M. H. Cochrane, John Thornton, G. N. Galer, D. A. Mansur, Thos. Hart, Israel Wood.

There being no further business, the meeting adjourned.

At a meeting of the new board, held same day, Mr. R. W. Heneker was re-elected president, and Mr. G. G. Stevens vice-president.