

annual report and statement of the affairs of the company, from which it will be observed there has been a large increase in the extent of the company's operations, and that the financial results of the business of the year have been most satisfactory. They show that the profits, after deducting all charges for expenses and interest reserved, and paid to depositors, amount to \$28,630.30, out of which have been paid the usual two half-yearly dividends at the rate of 7 per cent. per annum, amounting, together with the income tax thereon, to \$21,400, and of the balance remaining \$230.30 has been carried to the Contingent Fund and \$7,000 to the Reserve Fund, the latter fund now amounting to \$60,000, being twenty per cent. upon the paid-up capital.

The amount of money loaned during the year on mortgages was \$202,514.31 on properties valued at \$438,215, the valuations in nearly every case having been made by the inspector of the company, and there was paid back by borrowers on account of principal moneys, \$130,889.75. The demand was active and sufficient to keep the funds of the company fully employed, although at a somewhat reduced rate of interest. The past year has been a most trying one for the farming community, in consequence of the low prices prevailing for the chief staples of the farm, barley and wheat; but notwithstanding this fact, interest payments generally were fairly met. Applications to the amount of \$173,700 were declined during the year.

The amount placed by depositors in the savings department and debentures has during the year largely increased, the total being \$648,061.37, as against \$589,149.02 the previous year. So large indeed has been the increase that the limit of the company's borrowing powers has again nearly been reached, and to provide against its being exceeded, the directors propose to submit to the shareholders a by-law authorizing the issue of \$30,000 new stock as soon as it is found necessary and advisable to do so.

Below is given the usual summary of the year's business.

The total earnings of the year amount to \$ 62,409 98
And have been applied as follows:
Two half-yearly dividends, at the rate of 7% per annum 21,000 00
Interest to depositors 27,207 30
Expenses, commissions on loans, &c. 6,572 38
Municipal tax on dividend 400 00
Transferred to Contingent Fund .. 230 30
Transferred to Reserve Fund 7,000 00

\$ 62,409 98

The total earnings for the year 1888, exclusive of the premium received on the new issue of stock for that year, were \$56,956.99, and for 1889, \$62,409 98, showing an increase of \$5,452.99.

The Reserve Fund is now \$60,000, being twenty per cent. on the capital paid up.

The total amount invested on mortgages on real estate, during the year, was \$202,514.31; the total amount of re-payments on principal moneys of mortgages on real estate, \$130,889.75. Increase during the year, \$71,624.56.

The total amount on deposit December 31st, 1889, \$648,061.37; on December 31st, 1888, \$589,149.02. Increase, \$58,912.35.

The large amount of \$27,207.30 has been paid to depositors during the year as interest on their deposits.

The security this company offers its depositors is as follows:

Mortgages on real estate (the cash value of which is upwards of two millions of dollars), to the amount of \$ 903,363 54
Loans to shareholders on mortgages of their stock 17,179 56
Real estate on hand 17,789 62
Capital subscribed and not called in 80,000 00
Cash on hand and in bank, rents, &c. 5,068 24

Total security to depositors ... \$1,113,400 96
Total liabilities to depositors .. 660,021 32

Balance (in excess of the company's liabilities to its depositors) \$ 453,379 64

The company had on hand at the commencement of the year, properties to the amount of .. 19,546 13

Have acquired some since and have sold some. The amount now held is 17,789 62

Your directors again express their satisfaction with the manager, who has very ably discharged the duties of that office during the year. The accountant and his assistant have also been unremitting in their duties. The inspector, too, on whose good judgment and faithful reports so much depend, has given entire satisfaction.

Mr. T. Dixon Craig, one of the auditors of the company, having removed from Port Hope during the year, resigned his office. Your directors, under the authority conferred upon them by the by-laws of the company, filled the vacancy by the appointment of Mr. John Elias Smart.

JOHN MULLIGAN,
President.

Port Hope, January 14th, 1890.

REVENUE ACCOUNT.

Receipts.

Interest on investments, bank balances, and rents of company's properties \$62,409 98

\$62,409 98

Disbursements.

To the shareholders:
Dividend No. 32 at 7% .. \$10,500 00
Dividend No. 33 at 7% .. 10,500 00
..... \$21,000 00

To depositors:
Interest paid and reserved 27,207 30
Expense account \$ 6,572 38
Municipal tax on dividend 400 00
..... \$ 6,972 38

Balance applied as follows:
Transferred to Contingent Fund 230 30
Transferred to Reserve Fund 7,000 00
..... \$62,409 98

ASSETS AND LIABILITIES.

Assets.

Loans on mortgages on real estate \$ 993,363 54
Loans to shareholders on mortgages of their stock 17,179 56
Real estate on hand 17,789 62
Rents 895 00
Office furniture 669 00
Cash in banks 2,704 24
Cash on hand 800 00
..... \$1,033,400 96

Liabilities.

To the shareholders:
Capital stock paid up \$ 300,000 00
Reserve Fund 60,000 00
Contingent Fund 2,818 39
Dividend No. 33 10,500 00
Dividends not called for 61 25

To depositors:
Savings deposits, including interest on same to December 31st, 1889 238,847 97
Debentures 409,213 40
Accrued interest on do 11,959 95
..... \$1,033,400 96

GEORGE M. FURRY, Manager.

We have examined the books and vouchers of the Midland Loan and Savings Company for the year ending 31st December, 1889, and have found them correct. The above balance sheet gives a true statement of the position of the company as shown by the books at the close of the year. We have also compared the mortgages and securities of the company with the registers, and have found them correct and in good order.

G. H. G. McVITY, } Auditors.
J. E. SMART, }

On moving the adoption of the report, the president remarked:

GENTLEMEN,—In moving the adoption of the report which has just been read, I may fairly congratulate you on the satisfactory statement laid before you at the close of this, the seventeenth year of the existence of the company. During the year there has been a large extension of our business in every department, and as you will observe by the statement, as foreshadowed in my address to you last year, the total assets of the company now exceed one million dollars. The directors feel the grave responsibility resting upon them in dealing with such large interests, but I believe I can

assure you that the most assiduous care and attention has been given both by them and the officers of the company in investing our funds safely. In addition to the several examinations made annually of the mortgages by the manager, during the early fall months of the year, the condition of every mortgage held by the company was exhaustively examined by the directors, a list of a portion of them having been laid before the weekly meetings of the board by the manager, until the whole number had been gone through. The directors will all bear me out in stating that they hardly expected so good a showing—that our loans were so well secured. Besides this, our inspector was instructed to make a re-valuation of a large number of the properties under mortgage, where the securities were at all doubtful, or the parties were in arrears, or were asking for time. This service was performed in a painstaking manner, written reports in every case having been made; these were generally of a most favorable character, and were of great assistance to the directors in determining their judgment upon our securities. However, I hope you will not understand from this that we may not make some losses. Times are very trying and disappointing to the farmers generally, our best customers, in consequence of low prices, as well as rust in wheat, and we have some calls upon our forbearance, which we endeavor to respond to in as liberal a spirit as possible, consistent with our duty to you. I dare say we are sometimes too lenient, but it is hard to press an old and willing customer who we believe is doing his best to keep up his payments. Our experience, however, is that where a loss is made, it may be attributed generally to too much forbearance.

It is at the same time satisfactory to know that farming in all its departments has not been a failure; stock-raising and dairying have been very profitable, and it would be a good thing if our farmers devoted more time to this branch of their business. I ask in what part of the world farmers could have done better on the whole. This fair Province of Ontario has few rivals and certainly no superior, all things considered, as a field for successful farming, and if our agricultural friends are having somewhat hard times just now, I have strong faith in the country's future, and I have no doubt they will soon have their innings again. Poor prices for farmers have been known before, but were succeeded by bright and prosperous times, and so it will be again.

And now I would draw your attention to the intimation in the report that a by-law will be submitted to you, authorizing the issue of \$30,000 new stock, should the board of directors, to be elected, think such issue advisable. The limit of our borrowing powers has again been nearly reached, and it will be advisable to be prepared for such a contingency. I cannot help referring to the gratifying fact that depositors continue to have the utmost confidence in the company, as evidenced in the large increase in our deposits during the past year. I also refer you to the pleasing fact that our Reserve Fund now amounts to \$60,000, or 20 per cent. upon the paid-up capital of the company. Notwithstanding the fact that the tendency has been in Canada as elsewhere to lower rates of interest, our showing for last year was fair. The average rate earned on all our investments, including properties on hand and bank balances, was \$6.75, the cost of our deposits and debentures was \$4.39.

And now, in conclusion, a word as to our future prospects. The earning power of the company has been increasing and is now greater than ever before. All our funds are fully employed and there is no lack of good applications at better rates than prevailed at this time last year, and if our deposits continue to increase as in the past, or even but slightly, our prospects for a successful year's business are good. And now as to our deposits. It is clearly the duty and the interest of every shareholder to aid the company, not only with his own deposits, but in pointing out to his friends the advantages of this home institution as a savings bank. I hope they will not in the future relax their efforts or forget their duty. We must look to increasing our paid-up capital stock to at least \$500,000, but it is obviously not advisable to issue new stock until from time to time our borrowing powers have been exhausted. From correspondence as well as from personal interviews I conclude that we enjoy the confidence and esteem of