

Profits for the year after deducting charges of management, and interest due depositors and writing off all losses 172,387 82

From which has been taken:

Dividend No. 21, 4 per cent. (paid 1st December, 1885) five months. \$50,000 00
Dividend No. 22, 4 per cent. (payable 1st June, 1886)..... 60,000 00

\$110,000 00

Carried to contingent account \$68,937 55
Carried to rest account. 20,000 00

\$ 88,937 55

Balance of account carried forward \$ 18,339 13

BEST ACCOUNT.

Balance at credit of account, 30th May, 1885 \$480,000 00
Transferred from profit and loss account 20,000 00

Balance of account carried forward. \$500,000 00

CONTINGENT ACCOUNT.

Balance at credit account 30th May, 1885 \$100,000 00
Written off for ascertained losses.. 29,148 42

\$ 70,851 58

Transferred from profit and loss account 68,937 55

Balance of account carried forward \$139,789 18

The profits of the bank for the year compare favorably with those of the year previous, but have been affected by the low rates obtainable for money, coupled with an active competition for deposits outside of chartered banks at abnormally high rates of interest.

After providing for a dividend at the rate of eight per cent per annum, and appropriating sufficient of the net profits of the year to make the rest account \$500,000, your directors have considered it prudent to transfer a portion of the profits to contingent account.

There has been during the year an improvement in the condition of affairs in Manitoba: and, with the completion of the year to make the rest account \$500,000, your directors have considered it prudent to transfer a portion of the profits to contingent account.

The policy of investing a proportion of the funds of the bank in government and other first-class securities, inaugurated in the early history of the bank, has been maintained, as evidenced by the item representing such investments, and which now amount to \$721,474.02.

Branches of the bank have been opened during the year at Niagara Falls and Galt, and arrangements have been made to open at an early date a branch office on the corner of Yonge and Queen streets, Toronto.

A by-law will be presented for your adoption authorizing the incoming board to appropriate out of the profits of the current year the sum of \$5,000 to establish a guarantee and pension fund for the officers of the bank.

The head office and branches of the bank have been carefully inspected, and your directors have much pleasure in recording their satisfaction at the manner in which the officers of the bank have performed their respective duties.

H. S. HOWLAND,
President.

GENERAL STATEMENT—31st MAY, 1886.

Liabilities.

Notes of the bank in circulation \$ 898,122 00
Deposits bearing interest (including interest accrued to date) 3,333,743 44
Deposits not bearing interest... 1,094,237 64
Due to other banks in Canada .. 2,588 57
Due to agents in United Kingdom 102,485 26

Total liabilities to the public.. \$5,431,176 91
Capital stock paid up 1,500,000 00
Rest account 500,000 00
Contingent account 139,789 13

Dividend No. 22, payable 1st June, 1886, (4 per cent.) 60,000 00
Former dividends unpaid 1,089 27
Balance of profit and loss account carried forward..... 18,339 13

\$7,650,394 44

Assets.

Gold and silver coin current.... \$ 276,859 99
Dominion government notes.... 359,701 90
Notes of and cheques on other banks..... 218,537 64
Balance due from other banks in Canada..... 174,963 24
Balance due from agents in foreign countries..... 50,471 07
Dominion of Canada debentures..... \$202,008 88
Province of Ontario securities..... 131,831 68
Municipal and other debentures..... 387,633 46

721,474 02

Total assets immediately available \$ 1,802,016 96
Loans on call..... 120,429 11
Loans, discounts or advances on current account to municipal and other corporations..... 861,686 07
Other current loans, discounts, and advances to the public.... 4,505,724 57
Notes discounted overdue, secured 67,836 29
Notes discounted overdue, unsecured 46,763 87
(Estimated loss provided for.)
Real Estate, the property of the bank (other than the bank premises) 60,379 29
Mortgages on real estate sold by the bank (all bearing interest) 43,429 80
Bank premises, including safes, vaults and office furniture, at head offices and branches 130,103 97
Other assets, not included under foregoing heads..... 12,024 51

\$7,650,394 44
D. R. WILKIE,
Cashier.

The report was adopted.

The usual votes of thanks were passed to the president and directors, also to the cashier and other officers for their attention and zeal in promoting the interests of the bank.

A motion authorizing an appropriation of \$5,000 to a guarantee and pension fund for the officers of the bank was adopted.

The ballot was then taken for the election of directors, which resulted in the election of the following shareholders, viz: Messrs. H. S. Howland, T. R. Merritt, Wm. Ramsay, P. Hughes, T. R. Wadsworth, Hon. Alex. Morris, Robert Jaffray.

At a subsequent meeting of the directors, Mr. Henry S. Howland was elected president and Mr. Thomas R. Merritt vice-president for the ensuing year.

FEDERAL BANK OF CANADA.

The twelfth general annual meeting of the shareholders of the Federal Bank of Canada was held in Toronto, June 15th, 1886.

Among others, the following shareholders were present: S. Nordheimer, J. S. Playfair, J. W. Langmuir, H. E. Clarke, M. P. P., B. Cronyn, Wm. Galbraith, J. M. Chaffee, Jas. Magee, Thos. R. Wood, E. Buchan, N. Kingsmill, Robt. Thompson, A. B. Lee, Henry Pellatt, W. J. Baines, James Watson, Wm. Keighley, Wm. Wilson, Geo. Noble, Wm. Lamb, Chas. Doan.

It was moved by Mr. Keighley, seconded by Mr. Jas Watson, that Mr. Nordheimer take the chair. Carried.

On motion of Mr. Pellatt, seconded by Mr. J. M. Chaffee, Mr. Yarker was appointed secretary.

On motion of Mr. R. Thompson, seconded by Mr. Wood, Messrs. Pellatt and Baines were appointed scrutineers.

Mr. Yarker then read the annual report, as follows:—

REPORT.

The directors beg to present the twelfth annual report upon the business of the bank, showing the result for the year ending the 31st May, 1886:—

The balance at credit of profit and loss account on the 31st of May, 1885, was \$ 98,730 98
Profits for the year ending May 31, 1886, after deducting charges of management, interest accrued upon deposits, and writing off bad and doubtful debts..... 76,650 75

\$175,381 73

Appropriated as follows:—

Dividend 3 % paid December 1st, 1885 \$37,500 00
Dividend 3 % paid June 1st, 1886..... 37,500 00
Transferred to Rest account 25,000 00

100,000 00

Bal. of profits, carried forward.. \$75,381 73

The business of the bank in all its features considerably improved during the year, the general statement showing a gratifying increase in deposits, circulation and loans.

With regard to the net profits, it may be stated that Profit and Loss Account has not been credited with accrued interest upon old locked-up accounts, as we adopted the plan of applying all payments on principal, while such a fair degree of progress has been made with these accounts as justified the directors in transferring \$25,000 from Profit and Loss to "Rest," making the latter \$125,000, or 10 per cent. upon the capital.

The branches of the bank have been regularly inspected, and in addition to this some of the directors have made visits to the larger offices. The various officers in the service of the bank are zealously performing their duties.

S. NORDHEIMER,
President.

Toronto, June 15th, 1886.

GENERAL STATEMENT, 31ST MAY, 1886.

Liabilities.

Capital..... \$1,250,000 00
Rest 125,000 00
Dividend No. 22, payable 1st June, 1886 37,500 00
Former dividends unclaimed.... 214 85
Reserved for interest due on deposits.... \$ 37,864 57
Reserved for rebate on bills discounted.... 30,000 00

67,864 57

Balance of Profit and Loss account, carried forward..... 75,381 73

\$1,555,961 15

Notes of the bank in circulation.. 639,710 00
Deposits bearing interest 2,738,530 52
Deposits not bearing interest 782,285 49

3,520,816 01

Balances due to banks in Canada 15,616 38

Balances due to banks in the United Kingdom 125,512 50

\$5,857,616 04

Assets.

Specie \$ 82,979 40
Dominion Notes (legal tenders) 276,997 00
Notes and cheques on other banks 277,907 11
Balances due from other banks in Canada 88,649 00
Balances due from banks in foreign countries 42,297 21

\$ 718,829 72

Loans and bills discounted current 4,625,400 75

Bills discounted overdue, secured 39,335 23

Bills discounted overdue, not specially secured 139,581 90

(Old business loss provided for).. 178,917 13

Real estate..... 69,075 41

Mortgages on real estate sold by the bank..... 11,730 75

Bank premises 122,999 78

Other assets not included under foregoing heads 130,662 50

\$5,857,616 04

G. W. YARKER,
General Manager.

The Federal Bank of Canada,
Toronto, 31st May, 1886.