

QUEBEC BANK.

The seventy-second annual meeting of the shareholders of the Quebec Bank was held at the banking house, in the city of Quebec, on Monday, 2nd June, 1890.

There were present: Sir N. F. Belleau, K. C.M.G., Messrs. R. H. Smith, William Withall, John Laird, Geo. R. Ranfrew, W. H. Carter, James Morgan, John R. Young, S. J. Shaw, William Toffield, T. H. Norris, Robert Brodie, Peter Johnston, J. W. Henry, J. H. Simmons, and others.

The chair was taken by Mr. R. H. Smith, president, and Mr. W. R. Dean, inspector, acted as secretary of the meeting.

The president read the report of the directors, and Mr. James Stevenson, the general manager, read the statement of the affairs of the bank as on the 14th May, 1890.

REPORT.

The directors have pleasure in submitting to the shareholders their usual statement of assets and liabilities of the bank as at the close of its financial year on the 14th May last; also statement of Profit and Loss Account. They report that the net profits of the past year, after making provision for bad and doubtful debts, and after deducting all charges connected with the management, amount to.....\$223,009 66
The balance of profits from last year is brought over..... 48,580 30

\$271,589 96

The half-yearly dividend of 3½ per cent. paid in Dec'r last amounted to.....\$87,500
And a half-yearly dividend at same rate is payable on 2nd of June 87,500 175,000 00

Leaving a balance at credit of Profit and Loss \$ 96,589 96
The Rest remains unchanged at.....\$500,000 00

The business of the bank since the directors last had the pleasure of meeting the shareholders has been prosperous; and although the statement of Profit Account shows a less amount of earnings, as compared with the statement of last year, the difference is more in appearance than in reality, inasmuch as the existing loans, payable with interest, on demand, are in excess of those of the previous year.

Our merchants engaged in the timber trade disposed of their stocks last year to advantage; but this year, although the arrival of deep sea tonnage is larger than it was last year, the prospects of disposing of the stocks now held are not so good as they were in 1889. An unusual backward spring season has retarded agricultural operations, and all descriptions of produce are firm with a tendency towards a rise in price.

Business at the several branches has not been marked by any manifest change. The custom throughout has been well maintained, and the directors are not apprehensive of any falling off in the general business of the bank.

The charter of this bank under "The Bank Act," R. S. Chap. 120, Vic. 49, terminates on the first day of July, 1891. In view of this event, a new Act was passed during the last session of the Dominion Parliament, which will come into force on that day, continuing the charter of this bank for another period of ten years. The provisions of the new Act are sufficiently liberal to admit of the business of banking being carried on with advantage to the shareholders and the commercial community throughout the Dominion.

The head office and all the branches have been duly inspected by Mr. Dean, the inspector of the bank, and found in order.

The directors have pleasure in expressing their satisfaction with the manner in which the several officers of the bank have discharged their respective duties.

All of which is respectfully submitted.

By order of the board of directors,

ROBERT H. SMITH,
President.

The following is a statement of the result of the business of the bank for the year ending 14th May, 1890:

PROFIT AND LOSS ACCOUNT.

Balance of Profit and Loss Account, 15th May, 1889.....\$ 48,580 30
Profits for the year ending 14th May, 1890, after deducting charges of management, and making full

provision for bad and doubtful debts 223,009 66

\$271,589 96

Dividend 3½ per cent. paid December 2nd, 1889 \$87,500 00

Dividend 3½ per cent. payable 2nd June, 1890 87,500 00
175,000 00

Balance of Profit and Loss carried forward \$ 96,589 96

REST ACCOUNT.

Amount at credit.....\$500,000 00

GENERAL STATEMENT.

Liabilities.

Capital stock \$2,500,000 00

Rest.....\$ 500,000 00

Reserved for interest due depositors, etc. 97,606 75

Balance of profits carried forward.. 96,589 96

\$ 694,196 71

Unclaimed divid'ds 4,219 26

Half-yearly dividend No. 136, payable 2nd June, 1890..... 87,500 00

785,915 97

Notes in circulation \$ 615,255 50

Deposits not bearing interest 496,256 73

Deposits bearing interest 4,461,563 46

Balances due to other banks in Canada 51,896 89

Balances due to agents in the United Kingdom. 130,306 20

5,755,278 78

\$9,041,194 75

Assets.

Gold and silver coin current.....\$ 70,580 07

Government demand notes..... 432,183 00

Balances due from other banks in Canada 12,238 31

Balances due from agents in foreign countries 46,059 53

Notes of and cheques on other banks .. 148,932 86

\$ 709,993 77

Loans and bills discounted, securities and other assets..\$7,998,017 30

Debts secured by mortgage or otherwise 99,190 42

Overdue debts not specially secured (estimated loss provided for)..... 31,490 04

Real estate (not bank premises) and mortgages on real estate 50,669 44

8,161,367 20

Bank premises and furniture in the Provinces of Quebec and Ontario 169,833 78

\$9,041,194 75

JAMES STEVENSON,
General Manager.

Quebec Bank,
Quebec, 14th May, 1890.

The general manager, Mr. Stevenson, gave further information concerning the affairs and business of the bank, and said:—

I have been in the habit of explaining to the shareholders the several items in the balance sheet in order to convey to them as well as I could a knowledge of the business of the bank. I will, therefore, continue the practice and refer to each item in succession. First, we have capital, \$2,500,000, which remains stationary. Next, the Rest, \$500,000, which does not remain stationary, for we hope ere long to make a considerable addition to it. Then, reserved for interest due depositors, \$97,606.75. You will observe, gentlemen, that the deposits bearing interest

amount to \$4,461,563.46—\$469,871 in excess of those of last year. As interest thereon in most cases is added, or paid once a year, it is necessary to reserve a considerable sum to meet that claim. The item "Balance of Profits" carried forward, \$96,589.95, is large, and justifies the remarks I have just made regarding the "Rest," which we hope to increase next year by a substantial addition. Unclaimed dividends, \$4,219.26, is sufficiently defined, as well as the further item "Half-yearly dividend No. 136," payable 2nd June, \$87,500. The item "Notes in circulation," \$615,255.70, shows a small decrease compared with the statement of last year. A bank with a limited number of branches is not in a position to get out circulation to the same extent as one with many branches; and further, the rapidity and facility with which money parcels are now sent from one point to another through post and express companies tell against notes remaining in circulation for any length of time. I now proceed to the item "Deposits not bearing interest," \$496,256.73, which shows a falling off as compared with the statement of last year. Very few capitalists feel disposed to deposit money without requiring interest on their deposit. Deposits bearing interest, \$4,461,563, show an increase of \$469,871 as compared with the statement of last year. "Balances due to other banks in Canada," \$51,896.89, are reduced by a set off included in the list of assets, viz., "Due from other banks in Canada," \$12,238.31, and by the further item "Notes of and cheques on other banks," \$148,932.86, which if sent in for redemption would turn the scale in our favor. "Balance due to agents in the United Kingdom," \$130,306.20, represents our indebtedness to our correspondents in London, the Bank of Scotland, who hold Dominion Government sterling bonds in their hands to the value of \$800,000 on our account.

Having passed in review all the items constituting the liabilities of the bank, I turn to the statement of assets, commencing with the items "Gold and Silver Coin Current," \$70,580.07, and Government demand notes, in other words, legal tenders, \$432,183, together \$502,763.07, which I consider an ample cash reserve to meet all demands that may be made upon the bank here or wherever it has branches. The reserve held last year at this time, \$516,118, was about the same as now. A conservative policy is pursued by the directors of this bank; the bank is always kept strong; one can never tell what a day may bring forth. Sometimes demands are made for large sums from unexpected quarters; and sometimes safe and profitable transactions of considerable magnitude are offered which the bank, being strong, is prepared to embrace, and which would be lost if we were sailing too close to the wind. The item balances due from other banks in Canada, \$12,238.31, has already been dealt with in connection with that in the statement of liabilities "due to other banks," \$51,896.89. Balances due from agents in foreign countries, \$46,059.53, consists of sums due Head Office and branches by our New York correspondents, the Bank of British North America. The item, notes of and cheques on other banks, \$148,932.86, has already been considered in connection with the item in liabilities, "Balances due to other banks in Canada."

We have now to consider the very largest, and I may add by far the most important item in the balance sheet, "Loans and bills discounted, securities and other assets," \$7,998,017.30, which consists of bills discounted and advances to the customers of the bank in the Provinces of Quebec and Ontario. They may be classed as follows:—

To firms connected with the timber trade and lumber business \$2,412,800 00
Firms connected with general business, dry goods, hardware, groceries, etc. 2,036,717 30
Firms connected with manufacturing interests..... 955,600 00
Firms connected with produce business 694,900 00
Firms connected with contracts and railway business 384,000 00

Total \$6,484,017 30

Call loans on bonds and stocks of undoubted character, with ample margins 987,400 00

Dominion of Canada sterling bonds and high-class municipal sterling bonds..... 526,600 00

\$7,998,017 30