

**CANADIAN BANK OF COMMERCE.**—The first annual meeting of this bank took place on the 6th inst., Hon. Mr. McMaster, President in the chair. The following report of the directors to the shareholders was read:

In conformity with the requirements of the charter, your directors have pleasure in presenting the first annual report, accompanied by the following statement of the results of the business for the period ending 30th June last, embracing 13½ months—the Bank having commenced business on the 15th May, 1867.

The net available profits for the above period amount to	\$97,783 20
From which has been taken dividend No. 1, paid on January 1st, 1868, reckoned at the rate of 8 per cent. per annum from 15th May, 1867	\$25,129 82
Dividend No. 2 of 4 per cent. paid 1st July inst.	32,291 37
Transferred to "Rest" acc't.	40,000 00
	97,421 19
Leaving a balance at credit of profit and loss account of	\$362 01

It will thus be observed that a dividend at the rate of 8 per cent per annum has been paid from the date on which the Bank opened. The preliminary expenses have been liquidated; and after making all the usual deductions the surplus profits amount to \$40,362 01, of which \$40,000 has been carried to the "Rest" account leaving \$362 01 at credit of profit and loss account.

The profits would have been larger, but in view of the distrust occasioned by the causes which produced the panic of last autumn, every consideration of prudence pointed to the necessity of keeping on hand a much larger reserve of gold and legal tender notes than is required under ordinary circumstances.

The business of the bank during the first few months of its existence was necessarily limited but subsequently expanded in so desirable a manner as to render it advisable—in the interests of the shareholders—to call up the capital stock much more rapidly than was originally intended.

The calls were met with unusual promptness as is exhibited by the fact of \$916,359 of the one million dollars authorized, being now paid up.

Your directors have from the commencement acted upon the principle of establishing only a limited number of Branches; and of confining the operations of the Institution to a strictly legitimate Banking business; and they cannot too strongly urge upon their successors a rigid adherence to this policy, as being not only in the interest of the shareholders, but ultimately most conducive to that of the country.

The Branches have been recently inspected, and your directors have no hesitation in representing the entire business of the bank as being in a safe and most healthy condition.

The protracted illness and lamented death of Mr. Greer, the late Cashier, imposed for a time unusual duties upon your directors, which they continued to perform with unremitting attention until the appointment of his successor, Mr. Dallas, whose management has been of a character to satisfy them that their selection was judicious.

WM. McMASTER,  
President.

GENERAL STATEMENT.

<i>Liabilities.</i>	
Capital stock paid up	\$916,359 00
Circulation	702,388 00
Deposits	1,302,480 70
	2,004,868 70
Reserve for interest accrued on deposits	3,098 39
First dividend unpaid	101 91
Second dividend, payable 1st July inst.	32,291 37
"Rest"	40,000 00
	35,491 67
Balance of profits carried forward	362 01
	\$2,997,061 38

<i>Assets.</i>	
Specie and Provincial notes	\$785,017 35
Notes and checks of other Banks	130,066 69
Balances due by other Banks, after deducting balances due to other Banks	45,781 49
	960,865 53
Government securities	92,500 00
Notes and Bills discounted	1,894,294 03
Bank premises and furniture	40,421 82
	\$2,997,061 38

Messrs. Charles Robertson and W. J. McDonnell were then appointed scrutineers, and subsequently reported that the following gentlemen were duly elected directors for the ensuing year:—

Hon. Wm. McMaster, Messrs. H. S. Howland, Wm. Alexander, Wm. Elliott, T. Sutherland Stayner, James Austin and John Taylor. At a meeting of the Board of Directors, the Hon. Wm. McMaster was elected President and Mr. H. S. Howland, Vice-President.  
(Signed,) R. J. DALLAS,  
Cashier.

**MERCHANTS' BANK OF CANADA.**—Report of the Directors to the Shareholders at the first annual meeting, held in its Banking House in Montreal, on Monday, the 6th July, 1868.

The President took the chair at noon. Mr. H. B. Cumming and Mr. H. H. Whitney were requested to act as scrutineers, to receive the votes of the stockholders. The President then read the following report:—

Events, important in the history of this institution, have occurred since our last annual meeting.

The amalgamation of the Merchants' Bank with the Commercial Bank of Canada, the change of the name of the institution thus created to the "Merchants' Bank of Canada," and the new arrangements requisite for carrying on the business, have occupied much of the attention of the Directors, and have all been successfully accomplished.

Subsequent experience, so far as it has gone, seems to indicate that the terms of the agreement were not unfair to either institution, and it is hoped will, in the end, be beneficial to both.

At the date of the amalgamation the liabilities of the Commercial Bank amounted to \$1,170,900; and, as it was uncertain how much of this would require at once to be paid, it became necessary for the Merchants' Bank to call in a portion of its loans, in order to be prepared to meet every demand as it arose.

The facility with which this was accomplished, and without injury to its customers, was a favorable indication of the character of its business.

But of necessity this action interfered with the profits which the bank would otherwise have made, as but little business could be done until it was seen how much of its funds would be required to meet payments, and this could not be ascertained for some weeks.

In point of fact, therefore, the half year's business represents in reality but little more than one third of that period; but on the other hand, as the debts due to the Commercial bank carry interest, the difference will be made up from that source.

The assets received from the Commercial Bank in figures exceeded its liabilities by \$2,666,680, which was an apparent, though only a nominal profit, for it is well known that this would not be realized in full, and therefore ought not to be regarded as profit. A nominal sum only was therefore written off to profit and loss, and the balance paid to a special account, but it is to be hoped that the amount of profit thus appropriated will be much exceeded.

A very careful examination of all the assets has within the last few weeks been made by the Inspector of the Bank, and the result varies but little from the estimate made at the time of amalgamation.

A large amount of the outstanding debts of the Commercial Bank are secured on real estate, which in the opinion of the directors should be realized with the least possible delay and they hope that the large harvest now near-

ly ready for the sickle will enable the Bank to do so with advantage.

The statements on the table shew the present position of the Bank. The deposits and circulation have already attained to respectable amounts, and will no doubt continue to increase.

The directors have resolved to invite the shareholders to subscribe the balance required to increase the capital stock to \$4,000,000, and for this purpose a series of resolutions will be laid before you for your approval. The act of amalgamation provides that all the directors retire at this meeting. There will, therefore, have to be an election of the entire board.

All respectfully submitted.  
HUGH ALLAN, President.

**RESOLUTIONS referred to in the Report and passed at the annual meeting of the shareholders of the Merchants' Bank of Canada, on 6th July, 1868:—**

1st. That with a view to meet the wants of the mercantile community, and the extended business of the Bank, it is expedient to increase the subscribed capital stock to a total sum of \$4,000,000.

2nd. For this purpose, the Directors be authorized and empowered, as soon as convenient to open books of subscription, and under such regulations as they may see necessary.

3rd. Each shareholder as shown by the books of the Bank on the last day of the month of June, shall be entitled to subscribe, at par, an amount equal to one-fifth, or one share for every five of what he may have had at that date.

4th. An instalment of ten per cent on the amount of new stock thus subscribed will be payable at the time of subscription, and further calls will be made on it by instalments of ten per cent with at least three months' interval between the payment of each instalment.

5th. No transfer in the books of the Bank of the new stock will be permitted, unless the whole amount of the shares desired to be transferred is previously fully paid up, with accrued interest from date of last dividend.

6th. Shareholders may at any time make such payments as may be convenient for them, on account of this new stock, provided such payments be in equal instalments of ten per cent., and may pay up in full from time to time such number of shares as they may desire.

7th. Such shares on being paid up in full and interest from date of the last dividend, may be transferred to the credit of the shareholders in the stock books of the Bank, and will then carry full dividends.

8th. Pro rata dividends will be paid at the regular periods on all stock partially paid up.

9th. Such shares of this new stock as may not be subscribed within the time and under the regulations prescribed by the Directors, may be disposed of then as they shall see fit for the interests of the Bank.

10th. The Directors will advertise in one or two newspapers the dates when the books of subscription to the new stock will be opened, and will also estimate the same to the shareholders by sending to their address printed notices through the Post Office.

The election of Directors for the ensuing year resulted in the unanimous return of the retiring Board, viz:—

Hugh Allan, D. Masson, E. Atwater, A. Allan, H. Fraser, A. Roy, and W. P. Kay, and subsequently Mr. Hugh Allan and Mr. E. Atwater were elected President and Vice-President respectively.

GENERAL STATEMENT.	
Capital paid up	\$2,864,335 43
Circulation—	
Merchants' ..	\$ 526,397 00
Commercial ..	104,407 00
	629,804 00
Deposits bearing interest	\$1,364,620 13
Do. not bearing interest	784,543 08
	2,149,163 21
Dividends unclaimed.	\$ 459 60
No. 1.....	115,000 00
	115,519 60
Interest reserved	5,800 00
Profit and Loss Account	613,400 22
The Rest	100,000 00
	\$6,466,020 46