

MERCHANTS' BANK OF CANADA

Proceedings of the Fifty-First Annual Meeting of Shareholders

The fifty-first annual meeting of the Merchants' Bank of Canada was held on Wednesday, May 20, in the Board Room at the head offices at Montreal. The chair was taken at 12 o'clock, noon, by Sir H. Montagu Allan, the President. Others in attendance were: Messrs. Thomas Long, Alex. Barnett, C. C. Ballantyne, A. J. Dawes, Farquhar Robertson, Geo. L. Cains, Alfred B. Evans, E. F. Hebden, John Patterson, A. Piddington, Alex. D. Fraser, George Hague, W. H. Dixon, Arthur Browning, W. B. Blackader, T. E. Merrett, John Beattie, David Kinghorn, R. Shaw, W. B. Shaw, D. C. Macarow, H. B. Loueks, R. Campbell Nelles, C. R. Black, A. Haig Sims, D. A. Lewis, J. M. Kilbourn and H. H. Ransome. Mr. J. M. Kilbourn was appointed Secretary of the meeting. The minutes of the last annual meeting were taken as read.

THE ANNUAL REPORT.

The Report of the Directors was read by the President, as follows:—
The Board have much pleasure in submitting the result of the year's business, closing with the 30th April last. On an average capital and rest of \$13,348,100, the Bank has earned 9.13 %, which is a little lower rate than a year ago. Meantime, our capital stock has been further augmented by the disposal of the unsold shares, making the dividend disbursements somewhat greater. In the Profit and Loss Statement you will observe \$135,000, applied in reduction of the sum representing the bonds and securities, which during the year have suffered a fall in price. To bring them to their market value the Board have authorized the writing of them down by that sum.

I have great pleasure to-day in congratulating the shareholders upon a very notable event in the history of the Bank—the fiftieth anniversary of its establishment—and also upon the happy attainment of the goal of the Board's ambition for many years back, namely, the placing of the Reserve Fund upon an equality with the paid up Capital. This consummation has been at length attained. The paid up Capital is now \$7,000,000 and the Reserve Fund \$7,000,000, as you will see from the statement placed before you.

During the past year we have opened branches at the following points:—

In Quebec: Chateauguay Basin, Huntingdon, Maisonneuve, Montreal St. Denis Street, Ormstown and Vaudreuil. In Ontario: Bronte, Clarkson, Hamilton East End, Sarnia and St. Catharines. In Alberta: West Edmonton, Raymond and Rimbey. In Saskatchewan: Eastend, Forres, Humboldt, Kelvindhurst, Limerick and Shaunavon. In British Columbia: Ganges Harbour, Oak Bay and Victoria North End. In Manitoba: Starbuck, and in Nova Scotia, New Glasgow.

And we have closed the following offices:—In Alberta: New Norway, Pineher Station and Walsh, and in Ontario: Sandwich.

All the branches of the Bank have been inspected during the year.

I have now to bring a very important matter before you, involving a new departure for the better handling of our Bank Premises Account, and for the rendering available of a substantial proportion of the sum represented. To that end, we are arranging for the establishment of a Holding Company, entirely owned and controlled by the Bank, our premises at various points to be made over to the Company at the appraised valuation of the property, the Company handing back to the Bank fifty to sixty per cent. of the value of such properties in first mortgage bonds, the proceeds of the sale of which will be availed of in the Bank's business as the Board may direct, the amount over and above the bonds to be represented by stock in the Company in the Bank's name and held on the books at a nominal value. The rentals charged the offices will pay the interest on the bonds and in addition provide a Sinking Fund for their redemption in fifteen or twenty years, as the Board may later decide. The Bank will, in due course, again own its premises, unencumbered, through ownership of the common stock of the Company, all of which it will be the holder of. This arrangement is substantially in accordance with the policy being followed by some of the other large banks in Canada. An appraisal of our properties is at present being undertaken, with a view to our carrying out the plan at an early date.

The Board will to-day ask the shareholders to appoint Auditors for the coming year, in accordance with the Bank Act.

The requirements under the new Bank Act, covering the preparation of the Annual Statement, together with the growth of the Bank, make it desirable that more time be given for this work. We find it, therefore, necessary that the date of the Annual Meeting be put forward somewhat. The third Wednesday in May, following so nearly the close of books on 30th April, does not allow sufficient time. The Board ask you to sanction a change of date to the first Wednesday in June, which will meet requirements.

All of which is respectfully submitted.

H. MONTAGU ALLAN, *President*.

THE FINANCIAL STATEMENT.

Statement of the Result of the Business of the Bank for the year ending 30th April, 1914

The Net Profits of the year, after payment of charges, rebate on discounts, interest on deposits, and making full provision for bad and doubtful debts, have amounted to	\$1,218,694.45
Premium on New Stock	180,825.00
The balance brought forward from 30th April, 1913, was	401,014.24
Making a total of	\$1,800,533.69
This has been disposed of as follows:	
Dividend No. 104, at the rate of 10 per cent. per annum	\$169,117.50
“ “ 105, “ 10 “ “	169,907.00
“ “ 106, “ 10 “ “	172,549.52
“ “ 107, “ 10 “ “	175,000.00
	\$ 686,574.02
Transferred to Reserve Fund from Profit and Loss Account	400,000.00
“ “ “ Premium on New Stock	180,825.00
Written off Bank Premises Account	100,000.00
Contribution to Officers' Pension Fund	50,000.00
Written off for depreciation in Bonds and Investments	135,000.00
Balance carried forward	248,134.67
	\$1,800,533.69

RESERVE FUND ACCOUNT.

Balance, 30th April, 1913	\$6,419,175
Transferred from Profit and Loss Account	400,000
Premium on New Stock	180,825

Average Paid-up Capital during the year, \$6,868,500.

\$7,000,000

E. F. HEBDEN, *General Manager*.

H. MONTAGU ALLAN, *President*.