

THE MERCHANTS BANK OF CANADA—Continued.

premises to a subsidiary company called the Merchants' Realty Corporation, who in turn issued Bonds against the respective properties to the amount of \$4,000,000, the proceeds of the sale of which have been appropriately applied. These Bonds are of a serial nature and will be thus automatically amortized as they fall in for payment, control of the property being held by the Bank through the ownership of all the stock of the Company] thus being shown upon our books at a nominal figure.

Since the last Meeting, death has removed from our midst Mr. E. F. Hebden, formerly General Manager of the Bank and, for a period, Managing Director. His service in the institution was lifelong and in his demise the financial community lost a distinctive and distinguished personality, the Bank an able and experienced administrator. His death is regarded with deep regret by all.

The vacancy upon the Board has been filled by the appointment of Mr. E. W. Kneeland, of Winnipeg, a business man of wide experience and influence in the West.

In view of the continued growth of the Bank's business, the Directors are of opinion it would be desirable to enlarge the numerical strength of the Board by adding one more to their number, and an amendment to this effect of the relative by-law will be submitted for your approval. The name of Mr. Gordon M. McGregor, of Windsor, Vice-President of the Ford Motor Company of Canada, will accordingly be included in the list, which will be submitted to you in due course. He is a man of high standing in the commercial community, and we are sure of your agreement with the Directors that he will prove an acquisition to the Board.

You may be interested to learn that I made a trip last autumn through Ontario and the West—accompanied by some of the Directors and the General Manager. We met all the senior officers, and I have pleasure in saying that I found the trip both inspiring and beneficial to a degree.

We have undoubtedly an efficient staff and you will, I am sure, join with the Directors in extended to its members, one and all, a word of cordial appreciation for their capable and loyal services, to which the measure of progress the Bank has enjoyed is in no small extent attributable.

All the various offices of the Bank have been inspected during the past twelve months.

The Auditors' Certificate is appended.

All of which is respectfully submitted.

H. MONTAGU ALLAN,
President.

**STATEMENT OF THE RESULT OF THE BUSINESS OF THE BANK FOR THE YEAR
ENDED 30th APRIL, 1920.**

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	\$1,686,156.15
Premium on New Stock	700,000.00
The Balance brought forward from 30th April, 1919, was	574,043.32
Making a total of	<u>\$2,960,199.47</u>

This has been disposed of as follows:

Dividend No. 128, at the rate of 12 per cent. per annum	\$238,416.01	
Dividend No. 129, at the rate of 12 per cent. per annum	243,726.44	
Dividend No. 130 at the rate of 12 per cent. per annum	250,805.76	
Bonus 1 per cent	83,263.00	
Dividend, No. 131, at the rate of 12 per cent. per annum	252,074.56	\$1,068,285.77
Government War Tax on Note Circulation		81,138.72
Transferred to Reserve Fund from Premium on New Stock		700,000.00
Transferred to Reserve Fund out of Profits		700,000.00
Written off Bank Premises Account		100,000.00
Contribution to Officers' Pension Fund		50,000.00
Balance carried forward		<u>260,774.98</u>
		<u>\$2,960,199.47</u>

RESERVE FUND ACCOUNT

Balance, 30th April, 1919	\$7,000,000.00
Premium on New Stock	700,000.00
Transferred from Profits	700,000.00
	<u>\$8,400,000.00</u>
Average Paid-Up Capital during year	<u>\$8,230,539.00</u>

H. MONTAGU ALLAN,
President.

D. C. MACAROW,
General Manager