

THE CENTRAL BANK OF CANADA.

Proceedings of the Second Annual General Meeting of the Shareholders, held at the Banking House, Toronto, on Monday, the 21st day of June, 1886.

Those present were:—D. Blain, Samuel Trees, H. P. Dwight, K. Chisholm, D. Mitchell McDonald, C. Blackett Robinson, A. McLean Howard, Jas. Brandon, Frank E. McDonald, Henry O'Brien, C. S. Gzowski, Jr., H. H. Cook, W. Gibson Cassels, J. D. Henderson, Dr. C. E. Martin, Alex. Lawrie, Dr. Husband, Robert McClain, A. Muldoon, S. K. Dingle, A. A. Allen and F. W. Trounce.

On motion, D. Blain, Esq., was called to the chair, and Mr. Allen, the Cashier, requested to act as Secretary.

Moved by D. Mitchell McDonald, Esq., seconded by Henry O'Brien, Esq., and resolved, That Messrs. W. Gibson Cassels and C. S. Gzowski, Jr., be appointed scrutineers. By request of the Chairman, the Secretary then read the following

REPORT.

The Directors have much pleasure in presenting to the Shareholders their Second Annual Report, showing the result of the business of the Bank for the year ended 31st May, 1886:—

The balance of profit and loss on 30th May, 1885, was.	\$385 72
The profits for the year ended 31st May last, after deducting charges of management, interest reserved and credited, and making provision for bad and doubtful debts, were	37,602 40
	\$37,988 12
From which have to be taken—	
Dividend 3 per cent., paid 1st December, 1885	\$9,815 50
Dividend 3 per cent., payable 1st June, 1886	10,170 30
	\$18,002 32
Carried to reserve fund	15,000 00
Ten per cent. written off office furniture account	1,536 36
	16,536 36
Leaving a balance at credit of profit and loss account to be carried forward of.	\$1,463 96

The net earnings show a result equivalent to about 11½ per cent. upon the average paid-up capital of \$330,000 in use during the year.

The business of the Bank at Head Office and Branches continues to give satisfactory evidence of progress. Circulation and deposits have steadily increased during the year, the latter from \$903,864.01 to \$1,463,853.97, and discounts and loans from \$1,243,036.12 to \$1,782,709.31.

The capital stock paid up now stands at \$356,930, an increase for the year of only \$4,050. Your Directors, however, have good reason to expect that during the ensuing year the whole amount subscribed, viz., \$500,000, will be fully paid up.

The Head Office and Branches have been duly inspected during the year.

The various officers of the Bank have discharged their respective duties efficiently, and to the satisfaction of the Board.

D. BLAIN,
President.

Toronto, June 21st, 1886.

GENERAL STATEMENT.

LIABILITIES.		
Capital stock paid up		\$356,930 00
Reserve fund	\$25,000 00	
Balance of profits carried forward	1,465 96	
Dividends unclaimed	39 65	
Dividend No. 4, payable 1st June	10,170 30	
Reserved for interest on deposit receipts	5,096 97	
		41,772 88
		\$398,702 88
Notes in circulation	\$299,275 00	
Deposits not bearing interest	335,979 87	
Deposits bearing interest	1,127,874 10	
Balances due to other banks in Canada	9,227 22	
		1,772,356 19
		\$2,171,059 07
ASSETS.		
Specie	\$46,278 35	
Dominion Government demand notes	129,875 00	
Notes and cheques of other banks	83,118 14	
Balances due from other banks in Canada	36,242 09	
Balances due from foreign agents in U.S.	14,685 92	
Balances due from agents in Great Britain	27,880 56	
Dominion Government stock	2,800 00	
Municipal debentures	27,669 70	
		\$368,549 76
Bills discounted and current (including advances on call)	\$1,782,709 31	
Overdue debts secured	1,417 56	
Overdue debts not specially secured (estimated loss provided for)	4,517 10	
Office furniture at Head Office and Branches (including safes)	13,865 34	
		1,802,509 31
		\$2,171,059 07

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

A. A. ALLEN,
Cashier.

The Chairman moved, seconded by Samuel Trees, Esq., That the report read be adopted. Carried.

Moved by Henry O'Brien, Esq., seconded by James Brandon, Esq., That the thanks of the shareholders be given to the President, Vice-President and Directors, for their services during the past year. Carried.

Moved by H. H. Cook, M.P., seconded by Dr. C. E. Martin, That the thanks of this meeting be given to the Cashier and other officers of the Bank for the satisfactory manner in which they have performed their duties during the year. Carried.

Moved by J. D. Henderson, Esq., seconded by Dr. Husband, That balloting for the election of Directors for the ensuing year do now commence, and that it close at 2 p.m., but that if at any time five minutes shall elapse without a vote being tendered, the ballot may be closed by the scrutineers. Carried.

The scrutineers reported to the meeting the following gentlemen elected as Directors for the ensuing year:—D. Blain, Samuel Trees, H. P. Dwight, A. McLean Howard, C. Blackett Robinson, D. Mitchell McDonald and K. Chisholm.

At a subsequent meeting of the Board, D. Blain, Esq., was elected President, and Samuel Trees, Esq., Vice-President.

A. A. ALLEN, Cashier.

MERCHANTS BANK OF CANADA.

Report Presented to the Stockholders of the Bank at the Annual Meeting 16th June, 1886.

The Directors beg to present to the Stockholders the following Report of the business of the year just closed:

The net profits of the year, after payment of interest and charges, and deducting appropriations for bad and doubtful debts, have amounted to..... \$524,754 03
Balance from last year..... 7,566 71

This has been disposed of as follows:—

Dividends Nos. 34 and 35, at 7 per cent.	\$403,735 50
Added to the "Rest"	125,000 00
Carried forward to profit and loss account of next year	3,585 24
	\$532,320 74

For the general position of the Bank the Directors refer to the accompanying Balance Sheet. A comparison of this statement with that for last year will show that the business of the Bank has been well maintained.

The Directors have this year increased the Bank's holding of Bonds of the Dominion of Canada so as to bring up the total to an amount equal to the whole "Rest" of the Bank. They trust their action in this matter will have the approval of the Stockholders.

They have also considerably added to the other available securities of the Bank, and to the amount of money employed in call or short loans on stocks and bonds.

The immediate profit of this description of business is smaller than that of discounting; but it has important advantages in the way of availability and safety.

The average return from the investments of the Bank has been smaller than in former years, owing to the general reduction of the rate of discount and other causes; but safety has been a primary consideration.

The net outcome of the year's business has been such as to enable the usual dividend of seven per cent. to be declared, and the sum of \$125,000 to be added to the "Rest."

The Directors endeavour constantly to keep before them the importance of building up this fund, not only as increasing the earning power of the Bank and adding to its stability; but in view of the maintenance of the dividend, and a possible increase at a future day when a larger "Rest" has accumulated.

The Branch at Emerson, Manitoba, has been closed during the year, and the remaining assets of the office transferred to Winnipeg for collection. The unusual circumstances attending the business of this town have called for heavy appropriations out of the earnings of the present year.

The Directors trust that the good prospect of the growing crops, together with an influx of desirable emigrants will favourably affect the business of this neighbourhood and every other part of Manitoba.

The completion of the Canadian Pacific Railway, and the extension of the Manitoba and North-Western and other tributaries of the main line into the fine farming districts of the interior, must aid in this development.

The Board have the painful duty of referring to the decease of two former Directors of the Bank, Mr. Wm. Darling and Mr. Adolphe Masson, both of whom were devoted to its interest. To replace the former the Directors, under the powers conferred by the Banking Act, elected Mr. H. Montagu Allan to a seat at the Board. The second vacancy is of recent occurrence, and it has been deemed expedient to defer an election until the Annual Meeting.

During the year special efforts have been made to get the partially-paid stock accounts paid up in full.

At the beginning of the year there were 24 shareholders holding 1,283 partly paid and unreduced shares—1,273 of these have been paid up and reduced, and 10 shares cancelled.

This brings the subscribed capital of the Bank to 57,092 shares, all of which are now paid up in full.

The Branches of the Bank, including the Montreal office, have all been duly inspected.

The General Manager and other officers of the Bank have discharged their duties to the satisfaction of the Directors.

On behalf of the Board,

ANDREW ALLAN, President.

STATEMENT OF ASSETS AND LIABILITIES AT 31ST MAY, 1886.

LIABILITIES.		
Notes in circulation		\$2,869,398 00
Deposits at interest (including interest accrued to date)	\$5,797,675 68	
Deposits not bearing interest	3,189,256 17	
		8,986,932 05
Balances due Canadian Banks keeping Deposit Accounts with Merchants Bank of Canada	604,754 62	
Balances due Canadian Banks in daily exchanges	13,508 84	
Balances due to Agents in Great Britain	202,680 07	
Dividend No. 35	202,972 00	
Dividends unclaimed	5,137 37	
		\$12,081,292 95
Capital paid up	5,799,200 00	
Rest	1,500,000 00	
Contingent Account	140,000 00	
Balance of Profit and Loss Account carried to next year	3,585 24	
		\$20,424,078 19
ASSETS.		
Gold and silver coin on hand		\$358,938 52
Dominion notes	559 65 00	
Notes and cheques of other Canadian Banks	624,989 48	
Balances due by other Canadian Banks in daily exchanges	64 744 02	
Balances due by Banks and Agents in the United States	697,681 81	
Dominion Government Bonds	1,524,766 66	
Railway and Municipal Debentures	508,676 00	
Call and short loans on Bonds and Stocks	1,831,423 47	
		\$6,170,894 96
Time Loans on Bonds and Stocks	\$133,522 59	
Other Loans and Discounts	13,079,469 25	
Loans and Discounts overdue, and not specially secured (loss provided for in Contingent Account)	110,109 88	
Loans and Discounts overdue, secured	92,753 82	
		13,415,855 54
Mortgages and other securities, the property of the Bank	270,619 76	
Real estate	120,988 82	
Bank premises and furniture	430,000 00	
Other assets	15,719 11	
		\$20,424,078 19

G. HAGUE, General Manager.

The Directors' report having been read, it was moved by the Chairman, and carried unanimously:—"That the report of the Directors as submitted be, and the same is hereby adopted, and ordered to be printed for distribution amongst the stockholders."

Moved by J. H. R. Molson, Esq., seconded by J. Y. Gilmour, Esq., and unanimously resolved:—"That the thanks of the stockholders are due and are hereby tendered to the President, Vice-President and Directors, for the manner in which they have conducted the institution during the past year."

On motion of W. C. McDonald, Esq., seconded by Mr. Sheriff McConkey, of Barrie, it was unanimously resolved:—"That the thanks of the stockholders are due and are hereby tendered to the General Manager for his efficient management during the year."

On motion of Mr. Alderman Hood, seconded by J. P. Cleghorn, Esq., it was resolved:—"That Messrs. W. B. Cumming and John Crawford be appointed scrutineers for the election of Directors about to take place; that they proceed to take the votes immediately; that the ballot shall close at three o'clock p.m. this day, but if an interval of ten minutes elapse without a vote being tendered, that the ballot shall thereupon be closed immediately."

It was finally moved by John Morrison, Esq., seconded by John Crawford, Esq., and carried:—"That the thanks of the meeting are due and are hereby tendered to the Chairman for his efficient conduct of the meeting and are hereby tendered to the General Manager and other officers of the Bank for the satisfactory manner in which they have performed their duties during the year."

The meeting then adjourned, and the scrutineers shortly after reported the following gentlemen to be duly elected as Directors for the ensuing year:—Andrew Allan, Esq., Robert Anderson, Esq., Hon. J. J. C. Abbott, Esq., H. Montagu Allan, Esq., John Cassels, Esq., James P. Dawes, Esq., John Duncan, Esq., Jonathan Hodgson, Esq., Hector Mackenzie, Esq., Allan, Esq., was elected President, and Robert Anderson, Esq., Vice-President.

By order of the Board,

G. HAGUE, General Manager.

MERCHANTS BANK OF CANADA, Montreal, 16th June, 1886.