

THE MERCHANTS BANK.

ANNUAL MEETING OF SHAREHOLDERS.

The annual meeting of the shareholders of the Merchants Bank of Canada was held last Wednesday in this city. There was a very large attendance of shareholders. Hon. John Hamilton, the President, occupied the chair, and among those present were Sir Hugh Allan, Messrs. Andrew Allan, Robert Anderson, John McLennan, Hector Mackenzie, William Darling, Wm. Lunn, J. D. Crawford, J. Y. Gilmour, Thos. Crump, J. D. Kinghorn, Charles R. Hosmer, Adolph Masson, J. P. Cleghorn, N. B. Corse, Robert Benny, Hugh McLennan, Jonathan Hodgson, James Dawes, A. M. Cowie, D. Rees, N. S. Whitney, Robert Mont, W. S. Evans, G. W. Simpson, Aldermen Hood and Holland, G. B. Burland, M. M. Tait, R. A. Ramsay, J. H. Peck, James Dakers, W. H. Benyon, F. S. Lyman, Arch. McGoun, G. W. Hamilton, Hon. I. Thibault of Quebec, &c.

On motion of the President Mr. Shaw was appointed Secretary of the meeting.

THE DIRECTORS' REPORT.

The President then called upon the General Manager to read the report of the Directors.

Mr. Hague then read the report, which was as follows:—

The Directors of the Merchants Bank of Canada have pleasure in presenting to the stockholders the report of the business of the year just closed:—

The net profits of the year's business, after, deducting charges and interest on deposits, have been..... \$762,441.83
(Provision for the bad and doubtful debts of the year made in Contingent Fund Account.)
Add Profits brought forward from 1881..... 12,261.59

\$774,706.42

This sum has been disposed of as follows:—

Dividend No. 26, at 3½ per cent..... \$196,550.90
Dividend No. 27, at 3½ per cent..... 199,454.28
Written off Bank Premises and Furniture Account..... 20,000.00
Transferred to Contingent Fund... 120,000.00
Added to the "Rest"..... 225,000.00
Balance carried forward to next year..... 13,701.24

\$774,706.42

The profits have been so much in excess of those of last year as to admit of the payment of dividends at the rate of seven per cent. per annum instead of six, while the surplus carried forward to the different funds above named is considerably in excess of that approximated in 1881. This result will no doubt be satisfactory to the stockholders. In the Report presented at last General Meeting, reference was made to the revival of trade, and the improved prospects of the country. This improvement has continued to operate, to a greater or less extent, during the year, and a good harvest of agricultural product, and a large production of lumber and timber, all disposed of at a high range of prices, have added materially to the wealth of the country. Our various manufacturing industries have been pressed to meet the demand for their products. There has, however, owing to unfavorable circumstances, been a considerable check to the consumption of certain lines of our large and increasing imports, and stocks in consequence have accumulated to undue proportions. Payments, however, on the whole have continued satisfactory. But it is worthy of the consideration of importers, whether their operations might not be reduced with advantage. The development of the business of Manitoba and the North West has proceeded at an unexampled rate, and is

still going on. An unhealthy land speculation that broke out last year, and that threatened, at one time, to be productive of serious consequences, has been checked, and it is to be hoped may subside altogether. With the great emigration now going on a rapid settlement of the country may be looked for, and a considerable increase in production. The business of the Bank has been considerably extended during the year in every department, and your Directors have confidence that it has been conducted on sound and healthy principles. The deposits and circulation have largely expanded, and this in a legitimate and natural manner. The discounts and loans have also increased considerably in the ordinary course of business; but the Board have been careful to employ a much larger proportion of the funds of the Bank than usual in short loans on realizable securities so as to be prepared to meet a contraction if necessary. The supervision of discounts and advances at the numerous offices where the business of the Bank is carried on, extending from Quebec to Winnipeg, and including New York and Chicago, has had the constant attention of the Board and executive of the Bank. The losses of the year have been small, and are fully provided for. Before closing the books the annual review of the assets of the Bank took place, and every debt which had become irrecoverable was written off. To provide for the contingencies that remain, your Board carried a considerable sum out of the profits of the year to the fund created for the purpose. After this provision was made there still remained \$225,000 available for the Rest. A new Branch has lately been opened at Brandon, Man., under encouraging auspices, and the business of the Bank in the North West, under the able supervision of the Winnipeg Manager, has assumed large proportions, and is in a highly satisfactory condition. During the year the Waterloo (Ont.) Branch was closed. The Board have still sought opportunities of reducing the amount held in Bank Premises account, and succeeded in disposing of the Bank buildings in Chatham and Galt at satisfactory prices. The buildings at Almonte and Levis carried some time for Real Estate account have also been disposed of. In addition to the premises in which you are now assembled, the Bank now owns freehold buildings in St. John's (Que.), Belleville, Ingersoll, Kincardine, Kingston, London, Perth, Stratford, St. Thomas, Toronto, Walkerton and Winnipeg. Some of these are very valuable properties, and all are commodious and well adapted for business. Other items of Real Estate have been disposed of during the year, so that the total amount now stands as follows:—

	This Year.	Last Year.
Productive real estate...	\$134,597	\$157,386
Unproductive "	\$211,135	\$284,362

The General Manager and other officers of the Bank, now numbering 220 in all, have discharged their duties with zeal and assiduity, and the Board have signified their approval thereof by a general increase of salaries, or the granting, in certain cases, of a liberal bonus. The whole respectfully submitted. On behalf of the Board,

(Signed,) JOHN HAMILTON,
President.

GENERAL STATEMENT MERCHANTS BANK OF CANADA.

At the close of the Books 31st May, 1882.

LIABILITIES.

Notes in circulation	\$3,942,049 00
Deposits bearing interest (including interest accrued to date).....	\$5,416,635 22
Deposits not bearing interest.....	4,843,652 01
Balances due to other Canadian Banks keeping Deposit Ac-	10,260,287 23

counts with the Merchants Bank.	526,210 26
Balances due to other Canadian Banks in daily Exchanges.....	29,992 72
Balances due to Banks in Great Britain	179,193 06
Dividends unclaimed.....	3,822 13
Dividend No. 27, payable 1st June.	199,454 28
Total Liabilities to the Public.....	\$15,141,008 68
Capital paid up....	5,698,696 66
Rest.....	750,000 00
Contingent Fund...	280,000 00
Balance carried forward to Credit of Profit and Loss Account of next year	13,701 24
	\$21,883,406 58

ASSETS.

Gold and Silver Coin on hand.....	\$740,624 76
Dominion Notes on hand.....	716,507 65
Notes and Cheques of other Canadian Banks on hand.....	652,471 33
Balance due by other Canadian Banks in daily Exchanges.....	101,060 87
Balances due by Agencies of the Bank in the United States, and by United States National Banks.....	2,134,730 89
Total available assets.....	\$4,345,395 50
Loans, Discounts and Advances on Current Account	\$16,174,379 10
Loans, Discounts overdue, and not specially secured	220,127 83
Loans, Discounts overdue secured.	121,495 52
	\$16,516,002 45
Mortgages and other interest-bearing Bonds and Securities.....	259,964 48
Real Estate—productive.....	\$134,597 38
Real Estate—unproductive.....	211,135 52
	345,732 90
Bank Premises and Furniture.....	411,634 53
Other Assets not included under the foregoing heads.....	4,676 72
	\$21,883,406 58

(Signed,) G. HAGUE,
General Manager.

The President then spoke as follows: Gentlemen,—In moving the adoption of the report I think I may confidently say that the result of the operations of the Bank for the past year has been satisfactory. We have been able to pay a seven per cent. dividend, and to add to our Rest the handsome sum of two hundred and twenty-five thousand dollars. According to my view, ample provision has been made for any losses which may be incurred upon the current business of the Bank; and I think I am satisfied that the figures which have been laid before you indicate fairly the actual position of the Bank. You will have perceived, as well by the statements laid before you, as by the