

THE MERCHANTS BANK OF CANADA

Proceedings of the Fifty-seventh Annual Meeting of the Shareholders on June 2nd, 1920

The Fifty-seventh Annual Meeting of the Shareholders of the Merchants' Bank of Canada was held Wednesday, June 2nd., in the Board Room at the Bank's Head Office at Montreal. The meeting was called to order at 12 o'clock, noon.

Among those in attendance were: Sir H. Montagu Allan, M. K. W. Blackwell, Mr. Thomas Long, Mr. A. J. Dawes, Mr. F. Howard Wilson, Mr. Farquhar Robertson, Mr. George L. Cains, Mr. Alfred B. Evans, Lt.-Col. Jas. R. Moodie, Hon. Lorne C. Webster, Mr. E. W. Kneeland, Directors, and Messrs. Walter Wilson, John Patterson, Edward Fisks (Joliet) Arthur Browning, A. D. Thornton, Colin Campbell, Thomas Stapleton (Oshawa), R. S. White, S. M. Paylis, W. B. Blackader, David Kinghorn, A. Haig Sims, Andrew A. MacDougall, W. M. Ramsay, T. E. Merrett, A. B. Patterson, P. C. Schaefer, W. J. Finnean, F. J. Shreve, W. A. Meldrum, J. N. Lorrain, J. M. Kilbourn, F. L. MacGachen, J. G. Muir, James Elmsly, H. R. Little, A. McFayden, C. A. Harcourt, R. H. Arkell, W. B. Leitch.

On motion of Mr. John Patterson, the President, Sir H. Montagu Allan, was asked to take the chair.

Mr. J. M. Kilbourn was appointed Secretary of the meeting and read the notice calling the meeting.

The minutes of the last Annual Meeting were taken as read.

THE ANNUAL REPORT

The President, Sir H. Montagu Allan, then presented the Annual Report as follows:

I beg to submit, on behalf of the Directors, the Fifty-seventh Annual Statement of The Merchants' Bank of Canada as at the close of business on the evening of the 30th April, 1920, together with a statement of the Profits covering the relative period.

Despite the fact that operating costs have continued their upward course, the net profits resulting from the year's business were \$1,686,156.15, being an increase over last year of \$302,586.75.

The financial position of the Bank, as reflected in detail in the Balance Sheet before you, will, I hope, meet with your full approbation.

In the Directors' Report of a year ago, I mentioned that an issue of \$1,400,000 of new stock was being made, and that, owing to the date of allotment, this step would fall for comment more appropriately at the next Annual Meeting. I am now pleased to advise you that the issue was promptly taken up and long since paid for in full by the shareholders. The Paid-up Capital of the Bank, therefore, stands today at \$8,400,000, while the \$700,000 premium received from the new issue and \$700,000 transferred from Profit and Loss Account have been added to the Reserve, thus maintaining that Fund upon an equal basis with the Paid-up Capital.

You have already been advised that, in line with the growth of the Bank, and with a view of keeping pace fairly and reasonably with the legitimate requirements of our ever-growing clientele, a further issue of \$2,100,000 of new stock, upon the same favorable terms to the shareholders, is now under way. This new issue will appropriately be referred to again a year hence.

It may be of interest to mention that the Bank's shareholders now number 2,622, as against 2,406 in 1919, and 2,340 in 1918.

At the commencement of the Bank's fiscal year presently under review, the Directors felt warranted in placing the Dividend on a regular 12% basis, and also, later, in distributing a bonus of 1%, making in all 13% received by the shareholders during the twelve month period. No doubt their action in this respect will have your full approval.

During the year we opened 65 Branches, with a number of sub-agencies as feeders, and I may say that results have amply justified our action, as evidenced by the fact that we have only closed 2 Branches during the period.

In December last our office in London, England, was opened for business and already gratifying progress has been made in the building up of a London connection, while the facilities afforded our clientele on this side have greatly enlarged the value of the services we are enabled to extend to them. It had been apparent for some time that the growth and increasing importance of the institution called for the completion of our organization by the establishment of an office in the Capital of the Empire.

During the year we conceived it to be advisable and expedient, in keeping with modern and approved practice, to liquidate to some extent the inactive asset represented by Bank Premises Account, which, as you are aware, must, with the growth of the Bank, be an ever-expanding one. We accordingly turned over certain of our