

The chairman in opening the meeting said that he exceedingly regretted that any display of temper had been shown by any of the delegates at the last meeting held in that room. Mutual recriminative language certainly was not, nor would be productive of any good effect. He hoped that the proceedings of this meeting would show a marked improvement in that respect over the former one. As for himself he would announce that he was not a candidate for, nor did he desire re-election. All he wanted was that the best men might be elected to take care of the interests of the shareholders for the ensuing year. The chairman then proceeded to read the following annual report:—

Fourth Annual Report of the Directors of the Royal Canadian Bank.

The Directors of the Royal Canadian Bank beg leave to present, to the shareholders, their fourth annual report.

The year just closed has been one long to be remembered in the history of the Bank. Business, notwithstanding some difficulties, commenced under favorable auspices, and at the end of the first half of the year showed very favorable results, as a reference to the following figures will show:—

Net profits for half year ending Dec. 20, were.....	\$89,201 72
From this was deducted the semi-annual dividend, at the rate of 8 % per annum.....	44,416 20
And there was left to be added to reserve.....	\$44,785 52
The circulation at the last annual meeting was.....	\$1,095,452 00
The circulation at the end of the first half of the past year as.....	1,569,611 00
Showing an increase of.....	\$474,159 00
The Deposits at last annual meeting.....	\$1,398,050 60
The deposits at end of half year.....	1,684,388 00
Showing an increase of.....	\$286,337 40
Paid-up capital at last annual meeting was.....	\$1,071,260 00
Paid up capital at end of half year.....	1,140,183 34
Showing an increase of.....	\$68,923 34

The above comparison discloses for the first half-year a steady increase of business and public confidence, affording good grounds for the belief that the second half of the year's business would be equally satisfactory.

During the month of January, however, the Vice-President of the Bank made a demand for accommodation to the extent of nearly one-tenth of the paid-up capital of the Bank. This demand was unanimously refused by the rest of the Board. A series of malevolent attacks by the Vice-President upon the management of the Bank, in connection with mischievous rumors, industriously circulated by those who were interested in its downfall, caused the withdrawal of public confidence to an alarming extent, as the following figures evince:

Circulation on 31st Dec. was.....	\$1,569,611 00
" on 21st May was.....	902,198 00
Showing a reduction of.....	\$667,413 00
Deposits on 31st Dec. were.....	\$1,684,388 00
" on 21st May were.....	828,868 69
Showing a reduction of.....	\$855,519 37
Specie, etc., on 31st Dec. was.....	\$1,163,343 04
" on 21st May was.....	126,033 09
Showing a reduction of.....	\$1,037,309 95

The Directors, in this emergency, applied to some of the local banks for a re-discount of commercial paper to a limited extent by each. Their application for assistance having been declined,

the necessity for the suspension of specie payment was, after much anxious deliberation, absolutely forced upon the Directors, and the doors were closed on the morning of the 21st day of May.

That the Directors have not since been idle in their efforts to realize the assets of the Bank and reduce its liabilities, the following table will prove:

Paid-up capital on May 21st.....	\$1,163,728 34
" " June 30th.....	1,176,973 34
Increase in 40 days.....	13,245 00
Total liabilities on May 21st.....	1,766,934 40
" " June 30th.....	1,066,069 81
Decrease in 40 days.....	700,864 59
Total assets on May 21st.....	3,169,100 70
" " June 30th.....	2,178,218 47
Decrease in 40 days.....	990,882 23

The latter decrease includes \$297,060, bad debts written off.

While every effort was thus being made by the Board and Cashier to enable the Bank to resume specie payments within the sixty days allowed by the charter of the Bank, they deemed it prudent to look forward to the worst possible contingency, and obtained from the Parliament of the Dominion, during the last session, an Act extending the time for the resumption of specie payment to ninety days from the date of the passing of the Act, providing also for amalgamation with any other bank, if necessary, and for liquidation, if unavoidable.

The assets of the bank, both at the head office and agencies, have been estimated as carefully as possible, within the limited time between the date of suspension and the day fixed for the annual meeting. The result has been that about \$300,000 of notes have been actually written off as bad. This amount, so far as at present can be ascertained, includes all losses sustained by the bank since it went into operation on an aggregate of discounts of over forty-two millions of dollars, being about five-sevenths of one per cent. loss—a result not so disastrous by any means as has been stated by the enemies of the bank.

Considering the amount of good this bank has done in advancing the material interests of the country, the large amount of business it has transacted throughout the Province, and its present solvent state, the Directors, in resigning their trust to the shareholders, venture to hope that their successors will accept office with a determination to resume specie payments at as early a day as possible.

The Directors, as on previous occasions, bear willing testimony to the great attention of the President and Cashier to the interests of the bank during the past year.

Subjoined is the usual annual general statement of the affairs of the bank, as required by the Act of Incorporation to which the shareholders are referred for further information regarding the bank's affairs.

Statement for the year ending June 30th, 1869.

LIABILITIES.	
Circulation.....	\$416,128 00
Due to other banks.....	22,734 53
Deposits not bearing interest.....	207,496 60
" bearing interest.....	412,345 02
Unclaimed dividends.....	7,365 66
Accrued interest.....	6,783 35
To shareholders.....	\$1,072,853 16
Capital paid up.....	\$1,176,973 34
Suspense account.....	6,344 11
Interest and exchange.....	3,024 46
	\$1,186,341 91
Less preliminary expense account.....	\$17,620 00
Ordinary do.....	1,792 13
Profit & loss.....	61,564 47
	\$80,976 60
	\$1,105,365 31

ASSETS.

Coin and Provincial notes.....	\$196,014 38
Notes and cheques of other banks.....	50,621 74
Due by other banks.....	(39,158 47
Sterling exchange.....	\$52,587 21
Government debentures.....	128,911 10
Notes and bills discounted.....	1,736,619 39
Furniture, &c.....	13,464 65
	\$2,178,218 47

Statement of Profits and Loss account for year ending June 30, 1869.

Dr.	
To amount paid President and Directors for last year.....	\$ 5,355 00
" 20 per cent. off preliminary expenses.....	4,105 03
" 30 per cent. off office furniture.....	539 22
" Dividend No. 7.....	44,416 20
" bad and doubtful debts written off.....	297,247 67
	\$351,663 12
Total amount of paper in default.....	\$438,434 29

Cr.	
By balance at end of last year.....	\$ 6,519 22
" profits of Toronto office.....	\$70,289 55
" less working expenses.....	27,313 08
" profits of Agencies (net).....	112,989 72
" " from suspense account.....	19,265 04
" balance of reserve.....	108,266 40
" amount recovered on account Stauffer's (expenses).....	81 80
" balance at debit of account.....	61,564 47
	\$351,663 12

The following is the report of the special Committee appointed to examine the paper at the Head Office:—

Toronto, July 3, 1869.

To the President and Directors of the Royal Canadian Bank, Toronto:

GENTLEMEN:—The very limited time placed at our disposal, rendering it apparent that it would be a matter of impossibility for us to comply with the terms of the resolution of your Board, first submitted to us, viz:—"That we should make an examination into the affairs of the Royal Canadian Bank." We were disposed to decline entering upon so arduous a task, when it was suggested that we might perform a temporary service by examining and reporting upon the paper discounted at the Head Office, in Toronto, and our duty was consequently so limited by another resolution to that effect.

The bills and notes submitted to us for examination amounted to the sum of \$283,725.77, and we have estimated the same as worth the sum of \$228,941.37.

Of the paper valued, the whole was examined and inspected by us, with the exception of paper to the amount of \$50,783.34, which, being payable out of Toronto was, therefore, not produced.

The paper considered entirely bad, amounted to the sum of \$18,250. The remaining deductions were made from paper considered weak and slow, a fair per centage from which we struck off for reasons satisfactory to us.

We have not made any estimate as regards paper in suit, being of opinion that the solicitors of the Bank are better qualified than we are to form a proper judgment of their value.—(Signed) Samuel B. Harman, John Crawford, William Thompson.

The reports from the different agencies were then read by the President, amidst a good deal of interruption, which showed the results indicated in the subjoined table: