

THE MERCHANTS' BANK OF CANADA

DIRECTORS' REPORT.

It is with much pleasure the Board once more meet the Shareholders in annual meeting assembled. We have another favourable year to report. Our profits, after making full provision for all doubtful debts due to us, amount to the sum of **\$1,179,581.03**. Notwithstanding the increase of the dividend to 10 p.c. making the second increase in two years, we have again written \$100,000 off the Bank Premises Account, added \$50,000 to the Officers' Pension Fund and placed \$500,000 to our Reserve Fund, which now represents the important sum of 90 p.c. of the paid up capital, and carried forward \$58,878.18 to next year's Profit and Loss Account. We trust our shareholders will find this showing satisfactory.

All the branches of the Bank have been inspected during the year. We have opened the following offices during the past twelve months: Vancouver, B.C. (Cor. Granville and Hastings Streets); Coronation, Calgary (2nd Street East); Chauvin, Pincher Station and Edgerton, Alta.; Frobisher, Regina and Moose Jaw, Sask.; Hartney, Winnipeg, Man. (Bannerman Avenue); and Wallaceburg, Ont. We have to report no offices closed during that period.

We have lost two Directors during the year—namely, Mr. Hugh A. Allan, who retired by reason of his now residing in Great Britain, and Mr. Charles F. Smith, who died in October last. Mr. Smith was a very regular attendant at meetings of the Board, where he aided deliberations by his wise counsels and sound judgment, and his demise is much regretted. The two vacancies on the Board were filled by the appointment of Mr. Andrew A. Allan and Mr. C. C. Ballantyne.

The Directors have much pleasure in testifying to the good work performed by the staff during the past twelve months.

All of which is respectfully submitted.

H. MONTAGU ALLAN, President.

Statement of the Result of the Business of the Bank for the year ending 30th November, 1911.

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 \$1,179,581.03
The balance brought forward from 30th November, 1910, was 99,297.16

This has been disposed of as follows:

Dividend No. 94, at the rate of 9 per cent, per annum	\$135,000.00	
Dividend No. 95, at the rate of 9 per cent, per annum	135,000.00	
Dividend No. 96, at the rate of 10 per cent per annum	150,000.00	
Dividend No. 97, at the rate of 10 per cent, per annum	150,000.00	\$570,000.00
Transferred to Reserve Fund		500,000.00
Written off Bank Premises Account		100,000.00
Contribution to Officers' Pension Fund		50,000.00
Contribution to Officers' Pension Fund		50,000.00
Balance carried forward		58,878.18

\$1,278,878.18

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Statement of Liabilities and Assets at 30th November, 1911.

LIABILITIES.

1. To the Public.

Notes in Circulation	\$6,351,230.00
Deposits at Call	\$25,897,925.26
Deposits subject to notice (accrued interest to date included)	36,239,678.72
Deposits by other Banks in Canada	1,356,976.84
	63,494,580.82
Balances due to Agents in Great Britain, States and elsewhere	310,980.05
Dividend No. 97	161,112.94
Dividends unclaimed	150,000.00
	2,179.50

2. To the Stockholders.

Capital paid up	\$6,000,000.00
Reserve Fund	5,400,000.00
Balance of Profits carried forward	58,878.18
	11,458,878.18

\$81,928,961.49

ASSETS.

Gold and Silver Coin on hand	\$2,149,007.08
Dominion Notes on hand	5,659,100.00
Notes and Cheques of other Banks	4,662,788.08
Balances due by other Banks in Canada	2,635.33
Balances due by Banks and Agents in the United States	368,514.23
Call and Short Loans on Bonds and Stocks in Canada	\$3,854,845.31
Call and Short Loans on Bonds and Stocks elsewhere than in Canada	9,091,612.77
	12,946,458.08
Government, Municipal, Railway and other Bonds and Debentures	6,074,969.01
	\$31,863,471.81
Current Loans and Discounts (less Rebate of interest reserved)	47,411,049.23
Loans to other Banks, secured	160,584.74
Loans and Discounts overdue (less fully provided for)	112,216.42
Deposit with Dominion Government for Security of Note Circulation	272,000.00
Mortgages and other Securities, the Property of the Bank	109,295.23
Real Estate	38,517.65
Bank Premises and Furniture	1,917,359.07
Other Assets	44,467.34

\$81,928,961.49