THE MERCHANTS BANK OF CANADA

The forty-second annual meeting of the shareholders of the Merchants Bank of Canada was held in the board room of that institution yesterday, at noon, when there were present: Sir H. Montagu Allan, Messrs. Jonathan Hodgson, J. P. Dawes, C. R. Hosmer, Alex Barnet (Renfrew), E. F. Hebden, John Morrison, Michael Burke, F. Orr Lewis, D. A. Lewis, Allen Brown, George Smith, Edward Fiske (Joliette).

The proceedings were opened by Sir H. Montagu Allan, the president, taking the chair, and requesting Mr. C. N. Read, the secretary of the bank, to act as secretary of the meeting.

REPORT.

The president submitted the following report of the directors:

The directors beg to present to the shareholders the annual statement of the bank's business as at 31st May last.

It will be observed that the earnings have improved somewhat over the previous year, due to the better trade conditions and the better opportunities offering for the employment of capital. The directors have thus been able again to add $200,000 to the rest account, and, in addition, have been enabled to write $100,000 off bank premises, and to make the usual contribution — this year, $19,000 — to the officers' pension fund.

Mr. E. F. Hebden, who was appointed acting general manager before the last annual meeting of shareholders, was confirmed by the directors in the position of general manager.

The various branches of the bank have been inspected.

The board have decided upon the policy of paying quarterly dividends, beginning with the current financial year.

All of which is respectfully submitted. H. MONTAGU ALLAN, PRESIDENT.

Statement of the Result of the Business of the Bank for the Year Shows.

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............	$740,398 99
The balance brought forward from last year ending 31st May, 1905, was..................	73,197 20
Making a total of....................................	$813,596 19

This has been disposed of as follows:—

Dividend No. 74, at the rate of 7 per cent. per annum................	$210,000 00	
Dividend No. 75, at the rate of 7 per cent. per annum....................	$210,000 00	
		$420,000 00
Written off bank premises account..............		100,000 00
Contribution to officers' pension fund		19,000 00
Added to rest....................................		200,000 00
Leaving a balance to be carried forward to next year of..		74,596 19
		$813,596 19

Liabilities.

1.—To the Public:—

		1906.	1905.
Notes in circulation...............		$ 3,984,050 00	$ 3,684,352 00
Deposits at call.....	$11,349,169 99		6,952,775 28
Deposits subject to notice.	$22,834,055 89		20,071,759 15
Interest accrued on deposits..	54,298 47		41,714 06
	22,888,354 36		
Deposits due to other banks in Canada....	1,269,435 06		1,043,368 24
		35,506,959 41	
Balance due to agents in Great Britain........................		165,471 17	
Dividend No. 75..................		210,000 00	210,000 00
Dividends unclaimed............		878 50	423 50
		$39,867,359 08	$32,004,392 23

2.—To the Stockholders:—

Capital paid up......	$6,000,000 00		6,000,000 00
Rest..................	3,600,000 00		3,400,000 00
Surplus profits.......	74,596 19		73,197 20
		9,674,596 19	....
		$49,541,955.27	$41,477,589 43

Assets.

		1906	1905
Gold and silver coin on hand.....		$ 1,025,898 53	$ 525,257 35
Dominion notes on hand.........		2,631,494 75	2,844,964 00
Notes and cheques of other banks		1,768,139 78	1,551,067 30
Balances due by other banks in Canada..........................		3,550 46	1,158 07
Balances due by agents in Great Britain		....	314,819 33
Balances due by banks and agents in the United States		203,862 84	355,749 04
Dominion and Provincial Government securities...............		629,421 22	637,099 01
Railway, municipal, and other debentures.....................		6,365,708 64	7,198,583 39
Call and short loans on bonds and stocks in Canada.........	$2,844,384 22		
Call and short loans on bonds and stocks in United States...	4,054,026 10	6,898,410 32	5,293,315 52
Total assets immediately available		$19,526,486 54	$18,722,013 01
Time loans on bonds and stocks in United States.................		2,751,820 39	
Current loans and discounts in Canada.	$26,042,428 04		
Less rebate..........	205,737 96		
		25,836,690 08	21,273,158 81
Loans and discounts overdue (loss fully provided for)...........		58,387 35	196,295 14
Deposits with Dominion Government for security of note circulation..............................		240,000 00	240,000 00
Mortgages and other securities, the property of the bank......		144,965 33	153,374 55
Real estate........................		2,001 69	744 81
Bank premises and furniture....		955,095 83	873,270 59
Other assets.......................		26,508 06	18,732 52
		$49,541,955 27	$41,477,589 43

E. F. HEBDEN, General Manager.

THE DISCUSSION.

The president stated that he would be pleased to answer any question any shareholder might desire to ask, and in the meantime he moved, seconded by Mr. Jonathan Hodgson, the vice-president:

"That the report of the directors as submitted be, and the same is, hereby adopted and ordered to be printed for distribution among the shareholders."