

MERCHANTS' BANK OF CANADA.

The annual meeting of the shareholders of the Merchants' Bank of Canada, was held in the banking House, Montreal, on the 4th inst.

The President took the chair at noon. Mr. George Templeton and Mr. R. Moat were requested to act as scrutineers, to receive the vote of the Shareholders.

The President read the following:—

Report

Of the Directors to the Shareholders at the third annual meeting, held in its Banking House at Montreal, on Monday, 4th July, 1876:—

During the year that has elapsed since we met together the business of the Bank has been prosecuted with a reasonable measure of success. Nearly the whole of the new capital stock was at once subscribed, and money being easy, a considerable amount of it has been paid up. Some little difficulty has been experienced in finding profitable employment for these funds in consequence of the uncertainty regarding the time they might be received, but still the business of the bank has been profitable.

No losses of any magnitude have been incurred, but in order to meet shortcomings from bankrupt estates of previous years, the directors have thought it expedient to write off a further sum of \$100,000 from the profits which is amply sufficient to cover every contingency in the past.

The balance of the Contingent Fund from last year was.....	\$62,549 00
Add profits for half-year, December, 1869.....	\$344,942 42
June, 1870.....	507,027 14
	851,969 56
Deduct.....	\$914,518 56
Working expenses.....	\$147,563 56
Interest paid and reserved.....	121,112 98
Written off against old losses.....	100,000 00
	368,676 54
	\$545,342 02
Out of which has been paid Dividend No. 4.....	\$181,112 80
Dividend No. 5.....	203,114 40
Added to the rest.....	100,000 00
	484,227 20
Leaving the Contingent Fund at present.....	\$61,614 82
And the rest.....	\$800,000 00

It will thus be seen that the \$100,000 addition to the rest, and an equal amount written off to cover old losses, have been taken from the ordinary business profits of the bank during the year, besides paying its dividend of 8 per cent.

No appropriation of profit has been made from the assets of the Commercial Bank, though these continue to be gradually realized. Under this head there is a good prospect of a profit of about \$750,000, but the Directors defer considering it as such till a large portion of it is actually paid.

Several new branches and agencies of the Bank are in progress of being opened in the Province of Ontario, making the whole number up to twenty-four. The management of them has materially increased the business of the head office; so much so as to involve the necessity of a larger building. The Directors therefore determined to use the lot occupied by the late Commercial Bank, and to erect a new building thereon suited to the increasing business of the institution.

The Banking Act of last session requires that applications for the renewals of the several charters be made in a certain specified manner. In compliance with this a resolution will be submitted for your adoption.

The Directors regret to record the death, during the past year of Mr. Hugh Fraser, one of their number; as the event occurred within a short

period of their annual meeting it was not deemed necessary to make any interim appointment. There are, therefore, four Directors to be elected at this time to fill the places of Messrs. Hugh Allan, E. Atwater and W. F. Kay, who retire by rotation, but are eligible for re-election, and of Mr. Hugh Fraser, deceased.

All of which is respectfully submitted.

HUGH ALLAN, President.

The Chairman moved, and it was carried unanimously, that the Report be adopted and printed for circulation amongst the Shareholders of the Bank.

It was then moved by Thos. Cramp, Esq., seconded by Richard Holland, Esq., and resolved:—

"That the Board of Directors of this Bank be and they are hereby authorized and empowered to take all such steps as they may deem expedient, for extending the charter of this Bank in such manner as may be permitted by the Act respecting Banking passed during the last session of the Parliament of Canada, and all such steps as may be necessary to enable this Bank to avail itself of that legislation, or of any other that may be passed by the said Parliament during the ensuing session thereof, and for that purpose to cause such bill to be introduced before the said Parliament, as the said Board may deem expedient, and to do whatever else may be necessary in the premises."

Moved by Jonathan Hodgson, Esq., seconded by D. J. Rees, Esq.

"That the thanks of this meeting be given to the President, Directors and Cashier for their able management of the Bank during the past year." Carried unanimously.

General Statement of Merchants' Bank of Canada.

LIABILITIES.	
Circulation.....	\$2,703,652 00
Deposits bearing interest.....	\$3,013,914 55
Deposits not bearing interest.....	1,614,569 05
	\$4,628,383 60
Dividends unclaimed.....	\$ 4,472 40
Dividend No. 5.....	203,114 40
	\$207,586 80
Capital paid up.....	\$7,539,622 40
Rest.....	5,078,793 55
	800,000 00
Contingent Fund.....	61,614 82
Interest reserved.....	39,210 96
	\$13,519,241 73

ASSETS.	
Gold and silver coin on hand.....	\$ 2,113,169 94
Provincial notes on hand.....	525,525 00
Notes and cheques of other Banks.....	379,386 08
Balances due by other Banks and Foreign Agents.....	324,185 04
Government Securities.....	533,606 22
	\$ 3,875,872 28
Real Estate.....	362,978 41
Notes discounted, and other debts not otherwise included.....	9,280,391 04
	\$13,519,241 73

Montreal, 18th June, 1870.

MONTREAL, 4th July, 1870.

Jackson Rat, Esq., Cashier Merchants' Bank of Canada, Montreal:

Sir,—We, the undersigned scrutineers appointed this day by the shareholders of the Merchants' Bank of Canada, declare the following gentlemen duly elected Directors for the ensuing year:—Hugh Allan, W. F. Kay, Edwin Atwater, Hector McKenzie.—We are, Sir, your obedient servants,
GEO. TEMPLETON, } Scrutineers.
R. MOAT, }

Subsequently, at a meeting of the Board, Messrs. Hugh Allan and Edwin Atwater were elected President and Vice-President respectively.

BANK OF BRITISH NORTH AMERICA.

The yearly meeting was held in London, Mr. W. B. Hume, in the chair.

The report of the directors which states the net profit of the year at £71,617, and announces the usual dividend at the rate of 6 per cent. per annum, with a bonus of 1 per cent. in addition, together amounting to 40s. per share, payable free of income-tax, on 5th July—has been published.

The Chairman, in moving its adoption, observed that the balance-sheets showed that although they had made some improvement in 1869 as compared with the year 1868, it was not so great as the directors had expected. This was not owing to any want of zeal on the part of the board or of any of the officers abroad, or to their having done any bad business, but solely from the want of good and safe business in the Dominion to do. The revival of trade was not so rapid as could be wished, and they might have to wait some time longer yet before they again got into the same swing of business which they enjoyed a few years ago. There was, however, no falling off in the estimation in which the bank was held by the public, and those who read the colonial newspapers would have seen that in the discussions upon the Banking Act the manner in which the Bank of British North America carried on its business was spoken of and appreciated. It would be observed by the balance-sheet that the circulation had increased from £228,000 to £281,000, and the deposits—always a satisfactory test of public confidence—from £870,000 to £995,000, and as a further proof of that confidence he might mention that the shares of the bank were being taken up in the colony in a much larger proportion than formerly by the residents there, who were best able to judge of the position and prospects of the institution. It would, of course, be impolitic to prophesy of the results of the present year, or of what might be their position twelve months hence; but up to the latest dates the reports of the spring trade were more encouraging than they had been for many years past, and although money was cheap and competition strong, he was happy to say that they had their full proportion of all the good and safe business that offered. The reports from New York, San Francisco, and British Columbia were more cheering than they had been. The business of the bank had been carried on with great caution, and within confined limits, but now he thought they saw symptoms of improvement. Mr. Glyn, one of the directors, who had been out there lately on his own business, saw Mr. M'Nabb in New York, and discussed with him upon all matters affecting the agency. The New Banking Act which had been passed by the Canadian Legislature would affect them in only two of its clauses, they being specially exempted in the act itself from all the other stipulations. The two clauses which would apply to them in common with all the other banks were, first, the prohibition from issuing one and two dollar notes, and in consequence of that a large amount of securities lodged on deposit as security for the small note circulation would be liberated, which would be an advantage; while after all the small note circulation was comparatively trifling in amount, being but little over one-tenth of the whole; and the second was a requirement that they should hold a much larger proportion of Government notes, as part of the specie reserve, than before. They would in future have to hold at least one-third of the specie reserves in Government notes of the Dominion, and the Government recommended that it should be increased to one-half, but that would be optional. The board had determined to open an agency at St. Stephen's, New Brunswick, a very rising port opposite Calais, in Maine, and where a very considerable business in the lumber trade between New Brunswick and Maine would arise as soon as the internal communications were completed. He believed that a good banking business might be done there—the present banking facilities