

BANK OF MONTREAL.

PROCEEDINGS OF A General Meeting of the Stockholders of the Bank of Montreal, *Held at the Banking House, This Day (Monday) June 2, 1856.*

At the Annual General Meeting of the Shareholders of the Bank of Montreal, held this day at the Office of the Institution, the Hon. P. McGILL, President of the Bank, in the Chair, a Statement of the Affairs of the Bank was laid before the Meeting, and the following Report read by the Cashier:—

THE Directors announced in the Report submitted to the Stockholders at their last Annual Meeting, that Subscriptions had been received for 5,500 shares of the New Stock, and they have now to state that the remainder, with the exception of 1,343 shares, was shortly after taken up.

THESE were subsequently disposed of by public tender, at a premium of 14½ per cent., which was paid to those Stockholders who had not found it convenient to subscribe for the Shares to which they were entitled.

THE two first instalments, amounting to £100,000 have been paid, and those not yet due, anticipated to the extent of £157,625—thus making the paid-up capital, at this date, £1,257,625.

A General Statement of the affairs of the Bank will be found upon the table and the Directors Report that the net profits realized by the Bank during the past year, (after deducting all current expenses, and making provision for the interest upon Special Deposits,) amount to £146,108 7 3
Less the Circulation Tax paid to the Government 6,747 19 3

£139,360 8 0

THE Directors declared a half-yearly dividend of four per cent., in November, and another is now payable at the same rate.

AFTER providing for the payment of these dividends, amounting to £96,582 17s. 11d., there remained a surplus profit, for the year, of £42,777 10s. 1d.

WHILE the Directors regard as satisfactory the result of the business as thus exhibited, they greatly regret to state that the Bank has sustained considerable and unlooked-for losses arising out of the transactions of a previous period.

IN order to write off the whole of the debts, ascertained to be irrecoverable, as well as to make provision against any additional loss which may arise from assets of the Bank which are considered doubtful, the Directors have found it necessary to avail themselves of the balance of the Unappropriated Profits, and also of a part of the Rest, the effect of which has been to reduce that Fund to £175,000.

HAD a further diminution of the Rest been requisite, or had the profits for the past year not materially exceeded the sum required to continue their distribution at the rate of eight per cent. per annum, the Directors would not have hesitated to reduce the Dividends.

IN consideration, however, of the amount which remained at the credit of the Rest, nearly 15 per cent. upon the paid-up capital, as also of the extent of profits realized during a year which had been marked by great depression in a very important branch of the trade of the country, and by other circumstances unfavorable to Banking interests, the Directors felt warranted in continuing the previous rate of Dividend. They also anticipate that it will soon again be in the power of the Bank to augment the Rest, and that the limit of £250,000 adverted to in former Reports will, in all probability, be reached before the whole of the capital is paid up.

CONSIDERABLE inconvenience having been experienced from the number of Legislative enactments amending the Charter of Incorporation, the Directors thought it advisable that the whole should be consolidated, and a bill with that object is now before the Legislature: it contains also some amendments, but only one of sufficient importance to call for any notice in this report.

THE amendment alluded to has reference to the number of Shareholders constituting the Board of Direction, and upon this subject the Directors have to state that they believe the Bank has derived no advantage from having so large a Board as hitherto, and they are assured that a reduction in the number of its members will be regarded as an improvement by the Stockholders, and also by those who keep accounts with the Bank.

Under that impression, it is proposed that the Board shall in future consist of nine instead of thirteen members. This change, however, cannot take place for another year, as the amended charter has not yet received the sanction of the Legislature.

