

The Sovereign Bank of Canada

The Fourth Annual Meeting of Shareholders was held at the Head Office, Toronto, 12th inst., and was largely attended.

DIRECTORS' REPORT.

The Directors beg to present to the Shareholders the Fourth Annual Report, showing the result of the business of the Bank for the year ended 30th April, 1906:

Balance at credit of Profit and Loss Account on 29th April, 1905.....	\$10,088 32
Net Profits for the year ended 30th April, 1906, after deducting Charges of Management, Provincial Government and Municipal Taxes, Advertising Expenses, and accrued Interest on Deposits, and after making full provision for all Bad and Doubtful Debts.....	187,467 35
Premium on New Stock issued at \$125 per share.....	\$ 81,250 00
Premium on New Stock issued at \$130 per share.....	686,550 00
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	767,800 00
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	\$965,355 67

This has been appropriated as follows:

Quarterly Dividends at the rate of 6 per cent. per annum:—	
No. 9, paid 16th August, 1905.....	\$23,560 12
No. 10, paid 16th November, 1905.....	23,868 35
No. 11, paid 16th February, 1906.....	24,137 05
No. 12, payable 16th May, 1906.....	31,358 38
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	\$102,923 90
Transferred to Reserve Fund.....	830,000 00
Written off Bank Premises.....	10,000 00
Reserved for Rebate of Discount on Bills not yet due.....	5,000 00
Donations to Hospitals, etc., including South African Memorial Fund.....	1,500 00
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	\$949,423 90
Balance carried forward.....	\$ 15,931 77

RESERVE FUND.

Balance at credit of account, 29th April, 1905.....	\$ 400,000 00
Transferred from Profit and Loss Account.....	62,200 00
Premium on New Stock, as shown above.....	767,800 00
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Total, 30th April, 1906.....	\$1,230,000 00

Branches or Sub-Agencies have been opened at the following places in Ontario during the year:

Baden	Essex	London East	South River
Berlin	Goderich	Millbank	Teeswater
Brucefield	Huntsville	New Dundee	Thorndale
Chatham	Hderton	Penetanguishene	Walton

These offices have fulfilled or exceeded our expectations, and the outlook for all of them appears to be satisfactory.

All the Branches have been duly inspected during the year.

The most important event during the year was the sale of a large block of stock to the Dresdner Bank at \$130 per share net to the Bank. This, with the new stock issued in Canada, increased the Bank's paid-up capital to \$3,585,410 on 30th April. This was fully referred to at the Special General Meeting of Shareholders, held on 1st March, to ratify the agreement and approve of the increase in the capital to \$4,000,000, but the Directors now wish to record their gratification at the unanimity expressed by the shareholders on that occasion. Out of 1,040 shareholders, there were but two dissentients, and their total holdings aggregated only 15 shares.

The Directors feel sure that the Bank's progress, as shown by the comparative statement of the past four years already submitted, will be highly satisfactory to the shareholders. The increase of \$3,542,000 in the deposits, which now aggregate nearly \$12,000,000, affords the most satisfactory evidence of the ever-increasing confidence of the public in the Sovereign Bank of Canada.

Exclusive of the premium on new stock, the net profits were \$187,467.35, an increase of \$53,491 over the previous year, and \$67,706 over 1904.

All bad or doubtful debts have been amply provided for, and the shareholders may rest assured that the business of the Bank is in a sound and healthy condition, and on a very satisfactory earning basis, the importance of which will be more apparent later on.

The number of shareholders in the Bank on 30th April, 1906, was 1,119, as compared with 887 in 1905, and 841 in 1904. This wide distribution and the fact that our shareholders include some of the most powerful financial interests in the world, afford the investing and borrowing public, and all who do business with the Bank, a bulwark of strength and security of incalculable value.

All of your Directors offer themselves for re-election, and they beg to also present for election to-day, Mr. Albert Edward Dymont, member of the Dominion Parliament, one of the original, as well as one of the largest shareholders of this Bank. Mr. Dymont's high position in the financial world, his successful business experience and recognized ability, eminently qualify him to represent the shareholders on this Board.

The Directors have pleasure in again recording their appreciation of the zeal and efficiency of the staff, through whose efforts the Bank has now grown to such important dimensions.

RANDOLPH MACDONALD, President.