

The building and location could not be duplicated in Montreal to-day for within \$50,000 to \$75,000 of the value it stands at in our books, and we regard it as an extremely good asset.

The balance of the items under this heading represents only some \$1,800 per branch, for furniture, steel safes, vault doors, etc., and is good value, as we have written off \$30,000 from these assets to date.

The total "Assets" amount to \$18,569,000, an increase of nearly \$7,000,000 for the year.

Turning to the "Liabilities" side of the statement, you will observe the substantial increase of \$217,840 in the note circulation, which has increased another \$100,000 since the date of this statement.

The "Deposits" have increased by over three and a half million dollars, and stand at \$11,858,296, divided amongst 37,532 depositors, representing an average of \$316 per head. Since 30th April our deposits have increased by over half a million dollars. Comment on this showing is unnecessary, and I will simply ask the shareholders to think over it and to ponder upon the possibilities of a bank with such a clientele in a growing and prosperous country like Canada.

The next item, "Balances due to Banks," arises out of our ordinary business, and is about one-half the amount due to us by other banks, as shown on the opposite side of the statement.

A small balance of our recently issued capital is being paid up by instalments, according to law; the great majority of the shareholders having paid in full in advance. When completed, the paid-up capital will be \$4,000,000, and to-day it amounts to over \$3,716,000.

The Reserve Fund increases proportionately as the capital is paid in, and now amounts to about \$1,250,000, an increase of \$20,000 since 30th April.

I think this completes my résumé of the statements, unless you have any questions to ask about them. Remember, this is your bank, and you are entitled to know all about it.

The following figures show that the bank's staff and customers have doubled within the past two years:

	1904.	1905.	1906.
No. of officers on the staff....	151	247	358
No. of depositors .....	17,710	26,725	37,532
No. of discount customers.....	3,531	6,185	7,364
Total number of customers.....	21,241	32,910	44,896

During the past year we received applications for 2,893 discount accounts, of which 1,714 were declined.

There were 32 chartered banks in Canada when we opened our doors on 1st May, 1902, and we stood 32nd on the list. On the 30th April, 1906, we had moved up into 15th place, in point of assets; and to 6th place in point of paid-up capital. It is not, however, by such comparisons that I would convey to our shareholders the merits of their own institution, but rather by inviting their careful consideration of the unvarnished figures and hard facts laid before them to-day.

I have always had large ideas regarding the position the Sovereign Bank of Canada should take in the financial world, but my ambition ran towards strength and safety rather than size. It is none the less pleasing to me, however, to be able to say that I believe we now have within our reach the happy combination of both solidity and magnitude, and when we hold our fifth annual meeting I hope we shall be able to celebrate the occasion in a manner satisfactory to the shareholders and becoming to a great institution.

A Voice—What proportion of the new issue of stock was not subscribed for?

The General Manager—By referring to the statement you will see that on 10th May, \$3,995,000 had been subscribed, or all but \$5,000 of the total issue, and to-day the amount outstanding is only about \$1,500. Shareholders have six months to take up their allotments and the only reason any stock is treated by us as unsubscribed is that owing to absence in Europe, Australia and elsewhere, we have not yet heard from all who are entitled to allotment. If, however, we were to include the subscriptions received from shareholders for more than their allotments, the new issue of our stock was over subscribed.

Mr. W. J. Barr—I recently saw an announcement of a branch being opened in New York, and I would like to know the particular advantage of this move.

The General Manager—This was not referred to in the statement, owing to the fact that it does not come within the year at present under review, as the New York agency was only opened a couple of weeks ago, and I am glad Mr. Barr has mentioned it. We have always done considerable business with the United States and with New York in particular, and for some time past we felt it would pay us to open our own office to handle our collections and other business. This move has brought us other agency business, which has an important bearing upon our Canadian business. We have appointed agents for the Com-

mercial Banking Company of Sydney, and the National Bank of South Africa, two very strong banks, who do an extensive business in the colonies, and who have London offices. We are, therefore, in a position to compete successfully for the Canadian business that goes to South Africa, Australia and New Zealand. As you know, there is a great deal of shipping direct from Canada and the United States to South Africa and Australia, and we are also in a position to handle such business advantageously on the spot. I may add that at the present time we have no less than nine men on our New York staff and we would not have them there unless it were paying. Outside of the collateral advantage of the prestige our New York office gives us, we have enough agency business to pay all our running expenses.

Proposed by Hon. James Young, seconded by W. J. Barr: That the thanks of the shareholders are due and are hereby tendered, to the president and directors for their careful attention to the interests of the bank. Carried.

Mr. Young said the statement presented to-day is a very satisfactory one, showing good management as well as tact and success in the handling of business. Before the meeting to-day he met a gentleman who had been in the banking business for nearly forty years, and his verdict was that the arrangement for increasing the bank's capital was a most happy and successful stroke, reflecting great credit upon the management. The showing in the way of profits is also excellent. He had been more than pleased with the solid and business-like way the Sovereign Bank of Canada was being conducted. Its record has been remarkable, and the accumulation of \$12,000,000 of deposits in four years certainly evinced the feelings of the public toward the Sovereign Bank of Canada. There was one important matter he would like to refer to, namely, the opening of a great many branches by the banks generally. He did not think the Sovereign Bank was at fault in this, but most people agreed that the expansion is being overdone to some extent. Mr. Young said the shareholders were to be congratulated upon the bank's position and policy generally, and it seemed to him that these indicated the most careful and conservative management.

"One word more and I am through. I have followed the course taken by the bank for some time and am convinced that in Mr. Stewart we have a most capable and efficient manager. I may say of him that he is most aggressive in getting business, and yet conservative in handling it. During the past year the dividend was increased to 6 per cent., and let us now live in hope that before another year is out we may get further returns as shareholders."

Mr. Barr, in seconding the motion, said he was sure the shareholders appreciated the services rendered by the directors. The shareholders should be more than satisfied with the excellent report which had been presented. He knew this motion had the hearty approval of all present.

Mr. Macdonald—On behalf of myself and my co-directors I beg to thank you for the kind words spoken by Hon. Mr. Young and Mr. Barr. We have all watched with much pleasure the progress of the bank and are pleased that we have so excellent a statement to present to you and that so many shareholders have done us the honor to attend and have so kindly expressed their approval of our efforts.

Proposed by Major Arthur G. Peuchen, seconded by A. C. Macdonell, M.P., that the thanks of the shareholders are due and are hereby tendered to the general manager and staff of the bank for the satisfactory manner in which they have discharged their respective duties during the past year. Carried.

Mr. Peuchen said it was needless for him to express the views of the shareholders, as he knew each and every one of them appreciated the high order of service rendered by the general manager, Mr. Stewart, and the other officers of the bank. The shareholders have known Mr. Stewart for some time, and also Mr. Browne, by whom he is ably assisted, and know they are very busy men. Another thing that Mr. Peuchen noticed was the active and intelligent interest taken by the local managers of the Sovereign Bank in bringing industries to their respective towns and thus getting business for the bank. This showed how keen and alive this staff must be, and the results showed it.

Mr. Macdonell, in seconding this resolution, said it was his privilege to be associated with the bank ever since its incorporation. On this account he felt fully qualified to speak of the zeal and efficiency of the general manager and of his staff.

The general manager had the happy faculty of combining zeal with prudence, and this he endeavored to instil into all those around him. He was also in close touch with each member of the staff, and the friendship and affection which existed between Mr. Stewart and the other officers of the bank largely contributed to its success. Mr. Stewart's aim has been to instil into all officers uniform courtesy and civility, and this was noticeable in every one of the Sovereign Bank's men from the general manager down to the junior clerks. The result given us to-day came from actual work daily and nightly.

Mr. Allan—Before you put this motion to the meeting, Mr. Chairman, I would like to say a word about the staff.