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Insurance and Finance

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BANKING PROFITS.

In THE CHRONICLE of 22nd February, was published a table showing the profits declared by all the Canadian banks in 1906 and the disposition of the same. Since then the results of the Bank of British North America for the half year ended 31st December, 1906, have become available, permitting the profits of that bank for the calendar year 1906, to be calculated. In the table published on the 22nd, they were taken for the year ended 30th June, 1906. Now, a calculation has been made from the returns to government, of the averages of all the banks for the past two years—average capital, average capital and rest combined (representing the stockholders' funds) and

average total resources. So it is possible to present in the case of each bank the rate per cent. of its profits for 1905 and for 1906, on the average capital, on the average capital and rest and on the average total resources. To get the most value from a calculation of this kind it is necessary, of course, to reduce the profits of the banks as much as possible to a uniform basis. For example, some banks, in changing the term of their fiscal years, report profits for broken periods of a year. These have been reduced, or extended, to a full year. Others, after declaring profits, show appropriations for rebate on current loans. Though this rebate is something that may never be demanded by borrowers it is, manifestly, the proper thing to deduct the rebate, or unearned interest, on all current bills, from profits before declaring them. Therefore the rebate appropriations have been deducted as have also the appropriations for losses, bad debts, etc., but *not* appropriations for writing down premises as that seems to be, in most cases, a practical addition to the profit reserves. An appropriation by the Royal Bank, in 1906, of \$73,000 to write down the book value of its holdings of British consols, was not deducted, because the figure to which they were reduced is several points (5 or 6) below the present market price, and the appropriation is, in great

NAME.	1905.				1906.			
	Year's Profits.	Per cent. on average capital.	Per cent. on average capital and rest.	Per cent. on average total resources.	Year's Profits.	Per cent. on average capital.	Per cent. on average capital and rest.	Per cent. on average total resources.
Montreal	\$ 1,638,659	11.59	6.79	1.15	1,797,977	12.48	7.37	1.17
Commerce	1,376,167	14.34	10.20	1.50	1,741,126	17.41	12.01	1.68
Merchants	649,238	10.82	7.06	1.57	740,399	12.34	7.87	1.58
Nova Scotia	478,507	21.41	8.21	1.51	653,516	23.34	8.82	1.86
British	453,043	9.31	6.56	1.12	627,878	12.90	8.97	1.33
Royal	491,918	16.39	8.20	1.45	604,495	17.12	8.04	1.52
Imperial (1)	510,951	17.03	8.61	1.57	584,494	17.52	8.76	1.57
Toronto (2)	459,511	14.34	6.84	1.55	544,295	14.70	6.96	1.56
Dominion	490,495	16.35	7.54	1.21	539,360	17.98	8.30	1.22
Traders (3)	396,231	13.21	9.61	1.59	458,037	11.25	8.61	1.47
Union (Can)	382,173	15.28	10.92	1.75	452,931	15.84	11.02	1.72
Ottawa	360,187	14.41	7.26	1.51	425,239	14.45	7.22	1.43
Molson's (4)	388,824	12.96	6.48	1.34	420,959	14.03	7.01	1.37
Hamilton (5)	357,273	15.46	7.83	1.28	361,251	14.66	7.33	1.20
Hochelega (6)	314,661	15.73	9.83	2.11	347,504	17.37	10.07	2.08
Quebec	255,135	10.21	7.29	1.92	295,037	11.80	8.31	2.11
Eastern Tr's (7)	288,279	11.54	7.21	1.72	279,610	9.96	6.34	1.49
Sovereign (8)	128,975	9.92	7.82	1.24	182,468	10.10	7.66	1.25
Standard	156,995	15.70	7.55	.98	175,652	17.21	8.57	1.05
Union (Halifax)	148,308	11.11	6.54	1.39	168,151	12.58	7.29	1.52
Ontario	152,583	10.17	7.26	1.00	156,916	10.46	7.29	.96
Nationale (9)	140,684	9.38	7.21	1.39	155,753	10.38	7.78	1.41
Metropolitan	120,085	12.01	6.00	2.16	140,580	14.05	7.03	2.07
New Brunswick	94,812	18.96	7.29	1.69	116,479	18.88	7.11	1.87
Western (10)	78,836	16.17	11.14	1.59	72,576	13.40	9.17	1.34
Home (11)					60,410	12.34	12.34	2.62
Northern					50,592	6.17	6.17	1.62
Provinciale (12)	72,335	8.78	8.78	1.42	43,051	5.21	4.84	.76
Crown (13)	20,967	3.38	3.38	1.05	41,931	4.88	4.88	.97
Peoples (N.B.) (14)	19,772	10.98	5.57	1.98	24,231	13.46	6.73	2.32
St Stephens (15)	9,837	4.91	4.01	1.35	12,726	6.36	5.19	1.50
St Jean (15)	24,685	8.45	8.18	3.21	9,739	3.26	3.09	1.10
St. Hyacinthe (16)	4,343	1.32	1.07	.30	4,833	1.47	1.19	.31
	\$10,464,469	13.01	7.73	1.40	\$12,290,106	14.04	8.27	1.45

- (1) Imperial. Profits 1906, calculated for year on basis of \$545,786 for 11 months.
- (2) Toronto. Provincial tax \$5,385 deducted from 1905 profits.
- (3) Traders. Profits 1906 calculated for year on basis of \$267,188 for 7 months.
- (4) Molson's. Business tax \$10,450 in 1905, and \$13,709 in 1906, deducted from profits.
- (5) Hamilton. Rebate \$10,000 deducted from 1906 profits.
- (6) Hochelega. Profits 1905 calculated for year on basis of \$471,992 for 18 months.
- (7) East'n Tr's. Appropriation \$29,000 deducted from 1905 profits.
- (8) Sovereign. Rebate \$5,000 deducted from profits, both 1905 and 1906.
- (9) Nationale. Rebate \$40,000 deducted from 1906 profits.
- (10) Western. Appropriation \$16,000 deducted from 1906 profits.
- (11) Home. Profits 1906 calculated for year on basis of \$25,171 for 5 months.
- (12) Provinciale. Appropriation \$52,293 deducted from 1906 profits.
- (13) Crown. Profits 1905 calculated for year on basis of \$33,198 for 19 months.
- (14) Peoples, N.B. Appropriation \$3,500 deducted from 1905 profits.
- (15) St. Stephen and St. Jean do not publish profits. Results are estimated on basis of dividends paid during year and change in Profit and Loss balances.
- (16) St. Hyacinthe. Appropriations \$9,409 in 1905 and \$5,946 in 1906, deducted from profits.