

BRITISH AND CANADIAN BANKING PROFITS COMPARED.

Comparison of the profits of the Canadian banks with those made by banks in Great Britain and Ireland during 1914 shows that the rate earned in the Dominion is very little more than that which is earned on the other side. Last year the percentage of profits earned on their total resources by the Canadian banks was 1.17% compared with 1.22% in 1913. In the case of the English banks, their average percentage earnings on total resources in 1914 was 0.94%; the Scottish banks earned 1.13%, and the Irish banks 1.03%.

These figures are particularly interesting in view of the charges frequently made, that profits earned by the Canadian banks are excessive. In point of fact as the figures already given show, they are not so in comparison with the standard of earnings of banks elsewhere. Theoretically, perhaps, the banks in a country in an early stage of its development should earn a larger return on their total resources than banks in an old country. The actual figures show, however, that the difference between bank earnings in Canada and in Great Britain is very small.

ENGLISH BANK PROFITS DOWN.

Last year the ratio of earnings of the English banks decreased sharply, it having been 1.13 per cent. in 1913. The Scottish banks' profits on the other hand show a tendency to relative stability, the 1914 ratio of 1.13 per cent. comparing with a ratio of 1.18 per cent. The Irish banks follow the English banks in showing a sharp decrease—1.03 per cent. in 1914 comparing with 1.21 per cent. in 1913.

It is a notable fact that within the last few years the ratio of earnings in Canadian banks has decreased considerably. In 1911 it was 1.29 per cent. compared with 1.17 per cent. in 1914. In part this may be due to the policy of development which necessarily had to be undertaken in the late period of expansion and resulted inevitably in the creation of a very large number of small offices where profits cannot be and are not expected to be on a very liberal scale. Moreover, the banks are being constantly called upon to render additional services to their customers, and while some of these services are small in themselves, in the aggregate the expenditure upon them is apt to amount to considerable sums. Last year also, the profit-earning power of

the banks were reduced considerably owing to the necessity imposed upon them of maintaining an abnormally strong cash and liquid position, an influence which is being felt, combined with the accumulation of idle funds, to an even greater extent this year. It is obvious that when figures are compared, the Canadian banks are not obtaining a larger profit upon the whole of their resources than that to which they are legitimately entitled.

Mr. Arthur Barry, Manager for Canada Royal Exchange Assurance, will sail for England on July 14th from New York, on a visit to his Head Office. He expects to be absent about five weeks.

ESTABLISHED 1873

The

Standard Bank

of CANADA

Head Office, TORONTO

124 BRANCHES THROUGHOUT THE DOMINION



SECURITY for both principal and interest is the first essential of an investment: the ability to realize quickly the second. Judged by these standards, a deposit in the savings department of this Bank is an ideal form of investment.



Montreal Branch: 136 ST. JAMES STREET
E. C. GREEN, Manager.

LLOYDS BANK LIMITED, 71, LOMBARD ST., LONDON, E.C.

HEAD OFFICE:—

Subscribed Capital - - \$156,521,000
Capital Paid up - - - 25,043,360
Reserve Fund - - - 18,000,000
Deposit & Current Accounts 590,869,295

Cash in hand, &c. - - \$173,534,130
Bills of Exchange - - - 67,100,965
Investments - - - 80,667,610
Advances, &c. - - - 297,198,235

THIS BANK HAS OVER 880 OFFICES IN ENGLAND AND WALES.

Colonial and Foreign Department: 17, Cornhill, London, E.C.

London Agency of the IMPERIAL BANK OF CANADA.

Paris Auxilliary: LLOYDS BANK (FRANCE) LIMITED, 26, Avenue de l'Opéra.
AN ENGLISH BANK CONDUCTED ON ENGLISH LINES. Branches at BORDEAUX, BIARRITZ and HAVRE.