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BANKING PROFITS IN CANADA (II).

The table showing disposition of banking profits in 1915, published in connection with this article on page 193 shows some important changes. It was noted in last week's article that the ordinary earnings or profits, allowing for the results of the Bank of British North America and Weyburn Security Bank, which have not been published at date of writing, were about \$1,800,000 less than in 1914. In regard to premiums on new stock issues there was practically nothing received in 1915, the total shown under that heading, \$140,314, being mostly attributable to the Standard Bank issue which was as a matter of fact completed in 1914.

THE DIVIDEND RECORD.

Making allowance for the Bank of British North America dividend, which was at the same rate as last year, the total of dividends paid is \$208,000 less than in 1914. This is mostly accounted for by the discontinuance of the Northern Crown dividend of 6 per cent., which in 1914 represented a distribution of \$170,297. Also the dropping of the bonuses of 2 and 1 per cent. by the Dominion and Toronto respectively, caused a reduction of about \$165,000. On the other hand, the fixed rates paid by several other banks in 1915 applied to larger amounts of paid-up capital, thus making the net loss somewhat smaller.

THE REST ACCOUNTS.

Not for many years have the Canadian banks made a showing in regard to additions to rest like that of 1915. Only two banks—the Nationale and Standard—made net additions to rest; and as three others transferred substantial sums from rest to profit and loss account, there is a net loss for the year of \$535,561. In this connection it is to be observed that as many of the banks have brought their rests up to an equality with the capital, there is no pressing need to make further additions in an unfavorable year such as 1915.

APPROPRIATIONS.

The unfavorable conditions under which the

banks worked in 1915 are responsible for a considerable decrease in the appropriations for writing down premises and furniture. This item is, roundly, \$780,000 less than in 1914. The matter of appropriating for this purpose, too, has been conscientiously attended to during recent prosperous years, and no harm can result from postponing further appropriations for a year or two until conditions improve. As might be expected, the appropriations for the purpose of covering depreciation of securities, losses from bad debts, etc., were abnormally heavy. No less than nine banks show appropriations in excess of \$100,000; and probably several others which follow the practice of making these appropriations prior to the declaration of profits, set aside similarly large sums. The gross amount acknowledged is \$3,283,277, \$1,000,000 more than in 1914, and over \$2,000,000 more than in 1913 or 1912.

CONTRIBUTIONS.

There has been some reduction in the contributions. This arises principally because the large contributions made by the banks in connection with the first campaign for the Patriotic Fund appeared mostly in the 1914 statements. Presumably their special contributions in the second campaign will serve to swell the 1916 footings.

An entirely new column appears this year to provide for the war tax on note circulation, all of the banks following the practice of reporting the item as a debit to profit and loss account subsequent to the declaration of earnings. The aggregate is \$767,671. This does not in all cases represent a full year's operations. The new Budget merges this tax into the 25 per cent. tax on profits. The amounts already paid by the banks as war tax on circulation will be credited towards their contributions under the new scheme.

STANDARD BANK OF CANADA.

The annual report and statement of the Standard Bank of Canada as at the 31st January, 1916, which will be submitted to the shareholders at the annual meeting to be held next Wednesday, the 23rd instant, will show the following figures:—

The net profits, after making the usual provision for cost of management, interest, etc., and providing for bad and doubtful debts, amount to \$563,401, equal to 8.04 per cent. on capital and rest. The quick assets amount to \$18,414,819.

The deposits, which now amount to \$43,099,050, have increased during the year by \$5,058,944. Circulation also shows an increase of \$574,560; the cash assets amount to \$12,893,147, and the total quick assets to \$18,414,819, being 42.72 per cent. of the deposits and an increase of \$2,548,651 over those of a year ago. Loans to the public are \$33,942,914 as against \$31,426,114 last year.

Out of the profits the directors have paid the usual dividend of 13 per cent., amounting to \$390,000, contributed to Officers' Pension Fund \$15,000, to Patriotic and other funds \$20,900, have paid the Government tax on circulation of \$28,995.51 and reserved for depreciation in the value of securities held by the Bank \$100,000, carrying forward to the credit of profit and loss account \$61,646.89.