BANKING PROFITS IN CANADA. (I)

THE CHRONICLE presents herewith the first of its regular annual series of articles reviewing the banking results for 1913. To-day's table contains all the going banks but two—the Bank of Vancouver and the Weyburn Security Bank. With reference to the first-named institution, the daily newspapers have contained references to a reorganization of the bank's finances and to a possible absorption by a larger bank, and up to the date of writing, the annual report has not been published. The Weyburn Security Bank holds its annual meeting at the beginning of April, and consequently the annual report in this case also is late in appearing. Both of these banks are comparatively small and their operations would not affect the general results to any appreciable extent.

The 22 banks included in the table shows net profits of $18,323,021, as against $17,613,203 shown by 25 banks in the year preceding. The increase, therefore, is about $610,000. However, in the 1913 list one bank—the Merchants—reports profits for five months only, or $533,653, as against $1,338,844 earned in a full fiscal year in 1912. So, taking this into account, it can be said that the profits earned by the banks in 1913 were over a million dollars better than in 1912.

There is a marked fall in the ratios of earnings to capital, capital and rest, and to total resources. Ratio of profits to average capital dropped from 17.00 per cent. to 16.40 per cent.; ratio of profits to average capital and rest dropped from 8.72 per cent. to 8.37 per cent.; and ratio of profits to average total resources, from 1.26 per cent. to 1.21 per cent.

As the commercial failures in 1913 were more numerous than in 1912, particularly in the Western provinces, it is likely that the banks have been called upon to provide for losses, in connection with an increased number of insolvent estates. In most cases the appropriations for such losses would be made prior to the declaration of profits.

Banking Profits in Canada: A Comparison of 1913 with 1912

(Compiled exclusively for The Chronicle).

NAME	1913						1912				
	Year ending	Profits	Per cent. on Average Capital	Per cent. on Average Capital and Rest	Per cent. on A Total Resources.	Dividend Paid in Fiscal Year	Profits	Per cent. on Average Capital	Per cent. on Average Capital and Rest	Per cent. on Average Total Resources	Dividend Paid in Fiscal Year
		$				p.c.	$				p.c.
Montreal	Oct.	2,648,403	16.55	8.28	1.10	12	2,518,408	15.95	8.03	1.06	12
(a) Quebec	Oct.	288,889	11.85	8.06	1.48	7	284,084	11.36	7.58	1.39	7
Nova Scotia	Dec.	1,210,774	20.63	7.35	1.54	14	970,544	23.09	8.09	1.47	14
(b) British	May	747,485	15.36	9.74	1.14	8	622,444	13.95	8.99	1.13	8
Toronto	Nov.	850,694	17.01	7.73	1.45	12	835,787	17.01	7.72	1.48	12
(a) Molsons	Sept.	669,373	16.73	7.69	1.33	11	661,538	16.54	7.69	1.33	11
Nationale	Apr.	302,305	15.11	8.89	1.29	8	293,564	14.68	8.89	1.45	7
(c) Merchants	Apr.	533,653	18.96	9.73	1.57	10	1,338,844	20.55	11.04	1.66	10
(a) Provinciale	Dec.	180,780	18.08	11.48	1.45	6	177,272	17.72	11.82	1.49	6
Union	Nov.	750,096	15.00	9.04	1.02	9	706,832	14.23	8.76	1.13	8
Commerce	Nov.	2,992,951	19.95	10.88	1.24	12	2,811,806	19.79	10.79	1.26	11
(b) Royal	Nov.	2,142,100	18.53	8.88	1.19	12	1,527,324	19.19	9.10	1.25	12
Dominion	Dec.	950,402	17.45	7.99	1.19	14	901,529	18.34	8.32	1.23	14
Hamilton	Nov.	498,273	16.61	7.66	1.09	12	495,860	16.67	7.76	1.07	11
Standard	Jan.	462,080	21.04	9.24	1.18	13	381,601	19.08	8.48	1.08	12¼
Hochelaga	Nov.	534,700	15.06	8.16	1.68	9	481,616	16.78	8.73	1.68	9
Ottawa	Nov.	706,740	17.98	8.43	1.36	12	640,220	17.93	8.38	1.32	11¾
Imperial	Apr.	1,125,971	17.28	8.63	1.45	12	1,004,340	16.92	8.46	1.42	12
Metropolitan	Dec.	165,659	16.57	7.36	1.28	10	168,842	16.88	7.50	1.30	10
(b) Northern Crown	Nov.	281,167	10.17	9.17	1.44	6	291,094	13.54	12.24	1.62	6
Home	May	167,126	11.91	8.94	1.31	7	140,030	10.97	8.23	1.20	6¼
Sterling	Apr.	113,400	10.88	8.45	1.34	5	107,876	11.17	8.65	1.47	5
(d) Vancouver	Nov.					Nil	40,395	4.96	4.96	1.40	Nil
(d) Weyburn	Dec.					5	60,549	19.70	18.78	4.94	5
(e) New Brunswick	Dec.						150,804	15.08	5.41	1.25	13
		18,323,021	16.40	8.37	1.21	.....	17,613,203	17.00	8.72	1.26	.....

(a) Quebec Bank, Molsons Bank, and Banque Provinciale, profits less taxes in 1912 and 1913.
(b) Bank of British North America, Royal Bank of Canada, and Northern Crown Bank, profits 1912 for 11 months only.
(c) Merchants Bank of Canada, profits 1913 for 5 months only.
(d) Bank of Vancouver and Weyburn Security Bank, annual reports not published at date of writing.
(e) Bank of New Brunswick absorbed by Bank of Nova Scotia.