

**BANKING PROFITS IN CANADA. (I)**

THE CHRONICLE presents to-day the first article of its customary series reviewing the banking results for the year just ended. Only nineteen banks are included in the 1916 list, as against twenty appearing in the list of a year ago. Although the Quebec Bank ended its fiscal year on October 31st, no report covering the year to October, 1916, was published—probably because of the impending absorption of the bank by the Royal. Also two banks—the Bank of British North America and the Weyburn Security Bank—had not published their results up to the date of writing; so their figures appear for 1915 only. In order to compare the aggregate of profits with the preceding year, it is necessary to make allowance for the missing returns. With the earnings of these two banks taken at last year's figures, there would be roundly \$380,000 to add to the total of 1916 profits as shown in the table. Thus the actual total for 1916 becomes \$16,315,000 as compared with \$15,953,725 shown for 1915—an increase of \$361,000.

**DECLINE IN AVERAGE EARNINGS ON TOTAL RESOURCES.**

The ratios shown at the foot of the table are calculated, of course, on the averages of the 19 banks reporting. As regards ratio of net profits to average capital there is a recovery in evidence—the 15.14 per cent. shown for 1916 comparing with 14.01 for 1915; 15.96 for 1914; 16.45 for 1913; and 17.00 for 1912. Also there is a slight improvement in the ratio of profits to average capital and rest—this being the return or yield on the proprietors' investment. This ratio for 1916 stands

at 7.45 per cent., as against 7.02 per cent. for 1915; 8.05 for 1914; 8.39 for 1913; and 8.72 for 1912. There is a sharp decline, however, in the ratio of net profits to average total assets. In 1916 for the first time in recent history the banks made less than 1 per cent. on the average of total resources in their possession—the percentage being .93. In 1915 it was 1.01; in 1914, 1.17; in 1913, 1.22; in 1912, 1.26; and in 1908, 1.41. With reference to these ratios as quoted for 1916, it is to be noted that when the completed figures are available and the averages of the other three banks added to the total, there will probably be a reduction of all three of the ratios.

**PROFITS AND RESOURCES.**

Taking all chartered banks, the average of total assets covered by their fiscal periods in 1916 is seen to be roundly \$255,000,000 greater than in 1915. That such an enormous increase of assets should have resulted in an increase of but \$300,000 or \$400,000 in net profits, indicates that very small charges were levied on most of the new business acquired. If the 1915 ratio of net profit had applied to the additional assets acquired in 1916, the increase of net profits would have been \$2,500,000 instead of \$360,000 as above mentioned.

Apart from the reduction of the Home Bank dividend from 7 to 5 per cent., which was referred to a year ago, no dividend changes are shown in the table. The monthly bank return indicates, however, that the Bank of British North America dividend was reduced; and apparently the amount paid for the fiscal year ending November 30th was 7 per cent. instead of 8 per cent. in 1915. The detailed statement is appended.

**Banking Profits in Canada: A Comparison of 1916 and 1915.**

(Compiled exclusively for The Chronicle.)

NAME.	Year Ending	1916.					1915.				
		Profits	Per cent. on Average Capital	Per cent. on Average Capital and Rest	Per cent. on Total Resources	Dividend Paid in Fiscal Year	Profits	Per cent. on Average Capital	Per cent. on Average Capital and Rest	Per cent. on Total Resources	Dividend Paid in Fiscal Year
Montreal.....	Oct.	\$ 2,200,471	13.75	6.88	.63	P.c. 12	\$ 2,108,630	13.11	6.59	.75	p.c. 12
(b) Quebec.....	Oct.						233,420	8.54	5.77	1.18	7
Nova Scotia.....	Dec.	1,252,039	19.26	6.77	1.13	14	1,220,057	18.77	6.59	1.23	14
(b) British.....	Nov.						328,595	6.34	4.17	.55	8
Toronto.....	Nov.	730,954	14.62	6.64	1.07	11	663,074	13.26	6.03	1.06	11
Molson's.....	Sept.	582,356	14.56	6.62	1.04	11	556,194	13.90	6.32	1.10	11
Nationale.....	Apr.	341,003	17.05	8.98	1.22	8	333,207	16.66	9.01	1.26	8
Merchants.....	Apr.	950,714	13.58	6.79	1.05	10	995,431	14.22	7.11	1.18	10
(a) Provinciale.....	Dec.	187,483	18.75	11.36	1.19	7	181,802	18.18	11.02	1.42	7
Union.....	Nov.	651,184	13.02	7.75	.69	9	659,688	13.19	7.85	.81	9
Comme'ce.....	Nov.	2,439,415	16.26	8.56	.95	12	2,352,035	15.68	8.25	1.00	12
Royal.....	Nov.	2,111,307	17.86	8.66	.92	12	1,905,576	16.48	7.90	1.03	12
(a) Dominion.....	Dec.	947,615	15.79	7.29	1.05	12	848,741	14.15	6.53	1.07	12
Hamilton.....	Nov.	442,525	14.75	7.02	.86	12	424,274	14.14	6.43	.95	12
Standard.....	Jan.	563,401	18.78	8.05	1.15	13	621,463	21.24	9.19	1.36	13
Hoehelaga.....	Nov.	546,011	13.65	7.09	1.45	9	530,237	13.26	7.15	1.61	9
Ottawa.....	Nov.	591,205	14.78	6.76	1.06	12	531,268	13.28	6.07	1.01	12
(a) Imperial.....	Apr.	998,960	14.26	7.14	1.26	12	1,026,359	14.66	7.33	1.28	12
Northern Crown.....	Nov.	128,761	7.21	5.46	.69	Nil	100,790	3.53	3.35	.61	Nil
Home.....	May	133,406	6.86	5.69	.89	5	163,929	8.43	6.28	1.15	7
(a) Sterling.....	Apr.	136,646	11.35	9.08	1.39	6	115,111	9.64	7.71	1.24	6
(b) Weyburn.....	Dec.						53,844	17.03	12.21	3.21	5+10
		\$15,935,456	15.14	7.45	.93		\$15,953,725	14.01	7.02	1.01	

(a) Provinciale profits 1916 and 1915, Dominion Bank profits 1916 and 1915, and Sterling Bank profits, 1916—all less taxes; and Imperial Bank profits 1916 and 1915, less auditors' fees.  
 (b) Quebec Bank, Bank of British North America, and Weyburn Security Bank annual reports 1916 not published at date of writing. Weyburn Security in 1915 declared a stock bonus of 10 p.c. in addition to the regular 5 p.c.