

16.—Chartered Bank Earnings, Expenses and Additions to Shareholders' Equity, Fiscal Years Ended in 1955-59

Note.—In 1955 the financial years of eight banks ended on Oct. 31, two on Nov. 30 and one on Sept. 30; in 1956 1957 and 1958 the financial years of six banks ended on Oct. 31, two on Nov. 30 and one on Sept. 30.

(Millions of dollars)

Item	1955	1956	1957	1958	1959
Current Operating Earnings—					
Interest and discount on loans.....	236.3	314.2	380.6	386.9	455.1
Interest, dividends and trading profits on securities.....	128.4	102.8	118.4	160.5	169.4
Exchange, commission, service charges and other current operating earnings.....	89.0	96.5	109.5	126.0	122.3
Totals, Current Operating Earnings.....	453.7	513.5	608.5	673.4	746.8
Current Operating Expenses—^x					
Interest on deposits.....	105.2	129.1	163.4	203.4	241.2
Remuneration to employees.....	153.1	167.8	188.3	198.0	211.6
Contributions to pension funds.....	13.6	14.0	13.8	12.3	13.1
Provision for depreciation of bank premises.....	10.1	11.4	12.7	14.3	16.4
Other current operating expenses ^{2, 3}	70.1	77.5	86.0	91.9	102.5
Totals, Current Operating Expenses².....	352.1	399.8	484.2	519.9	584.8
Net current operating earnings².....	101.6	113.7	124.3	153.5	162.0
Capital profits and non-recurring items ⁴	-0.6	3.1	0.4	1.5	3.3
Less provision for losses and addition to inner reserves, net ⁵	22.5	14.1	2.8	16.0	32.3
Less provision for income taxes ⁶	37.2	41.7	56.6	69.6	65.2
Leaving for dividends and shareholders' equity.....	41.3	61.0	65.3	69.4	67.8
Dividends to shareholders.....	26.2	31.9	35.4	40.0	47.6
Addition to shareholders' equity.....	15.1	29.1	29.9	29.4	20.2
ADDITIONS TO SHAREHOLDERS' EQUITY					
Undivided Profits—					
From operating earnings, net after transfers to rest account.....	2.4	-5.7	3.2	-1.5	2.7
Rest Account—					
From operating earnings and undivided profits.....	8.7	15.9	8.0	14.2	9.0
From retransfers from inner reserves.....	4.0	19.0	18.7	16.8	8.5
From premium on new shares.....	19.8	42.1	33.3	28.6	72.7
Capital Paid Up—					
From issue of new shares.....	13.7	14.2	16.5	10.5	31.7
NET ADDITION TO SHAREHOLDERS' EQUITY.....	48.6	85.5	79.7	68.6	124.7

¹ Realized profits and losses on disposal of securities are included in operating earnings. ² Before provision for income taxes, losses, and transfers to inner reserves. ³ Includes taxes other than income taxes.

⁴ Profits and losses on sale of fixed assets and adjustments relating to prior years. ⁵ After amounts retransferred to rest account. ⁶ Includes income taxes on taxable portion of additions to and amounts retransferred from inner reserves, and foreign income taxes.

Cheque Payments.—A monthly record of the amounts of cheques charged to customer accounts at all chartered bank offices in 35 major clearing-house centres of Canada is available from 1924. Except for a minor setback in 1938, the value of cheques cashed shows a continuously upward trend from 1932, the low point of the depression years. The total of \$248,869,352,000 in 1959 was a record, 705 p.c. greater than in 1938; the increase equalled the gain in gross national product during the same period. The advance was well distributed throughout Canada's five economic areas. British Columbia showed the largest gain with an increase of 810 p.c. Ontario was second with an advance of 753 p.c. followed in order by the Prairie Provinces, Atlantic Provinces and Quebec.* As compared with 1958, all five areas showed gains, with Ontario accounting for nearly 55 p.c. of the \$27,579,400,000 advance.

* St. John's, Nfld., was included in the 1959 figure but not in 1938 data. Excluding this centre in 1959 the ranking would be the same as above, except that Quebec would precede the Atlantic Provinces.