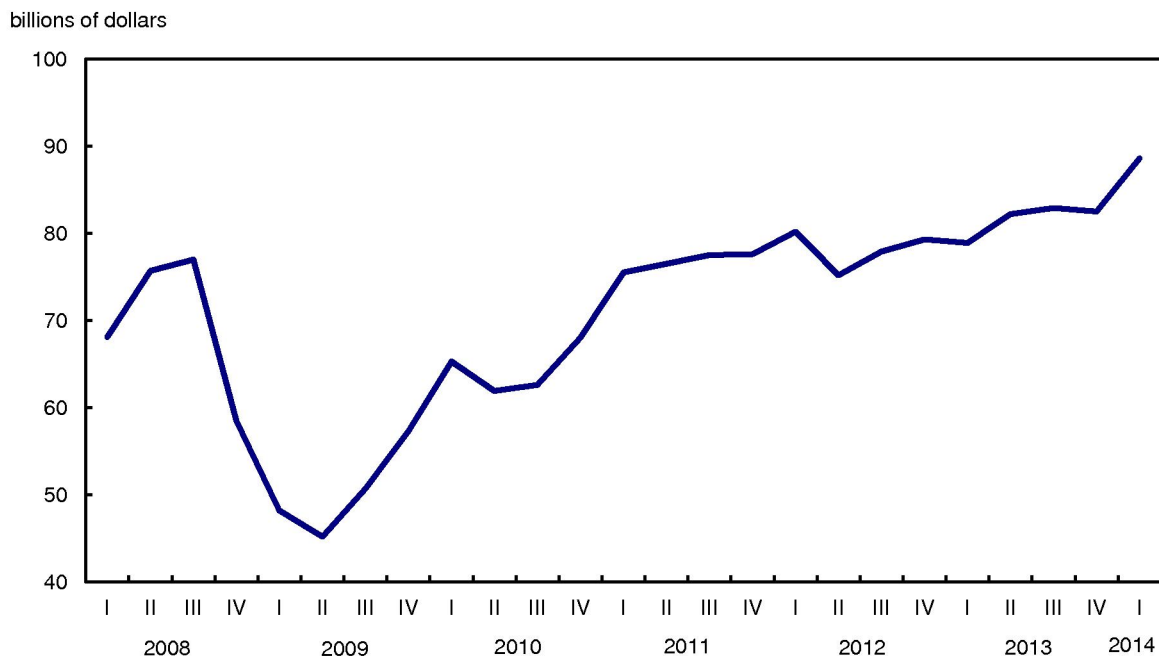


Quarterly financial statistics for enterprises, first quarter 2014

Released at 8:30 a.m. Eastern time in *The Daily*, Tuesday, May 27, 2014

Canadian corporations earned \$88.6 billion in operating profits in the first quarter, up 7.4% from the previous quarter. This increase followed a 0.5% decrease in the fourth quarter of 2013. Overall, operating profits rose in 13 of 22 industries.

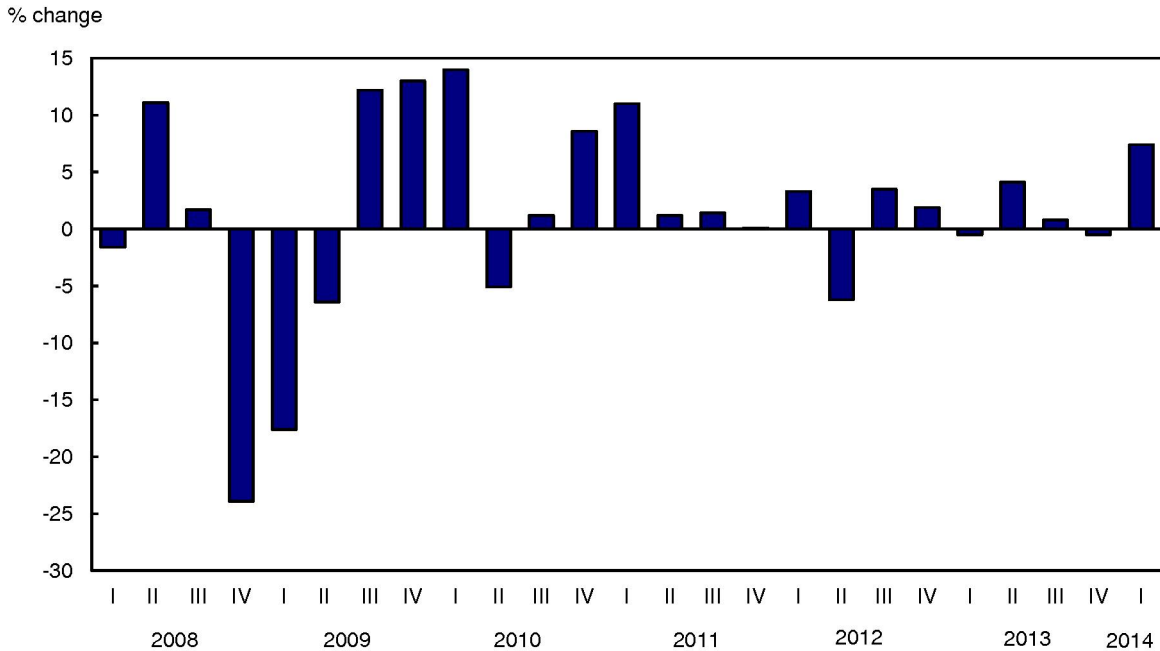
Chart 1
Quarterly operating profits



In the non-financial sector, operating profits grew 9.3% to \$65.6 billion in the first quarter, following a 0.5% increase in the previous quarter. The energy sector (oil and gas extraction combined with petroleum and coal manufacturing) accounted for more than half of the increase in overall operating profits in the first quarter, rising 47.0% to \$9.9 billion.



Chart 2
Quarterly change in operating profits



In the financial sector, operating profits rose 2.5% to \$23.0 billion, following a 3.1% decline in the fourth quarter. Most of the first quarter increase came from the depository credit intermediation industry.

On a year-over-year basis, operating profits for Canadian corporations increased 12.3%. Profits rose 12.8% in the non-financial sector and 10.7% in the financial sector.

Non-financial sector

Operating profits for oil and gas extraction and support activities rose 66.4% to \$5.4 billion in the first quarter, aided by the strongest commodity prices for crude energy products in five years, according to the Raw Materials Price Index.

Operating profits in manufacturing increased 24.3% to \$14.7 billion.

While 7 of 13 of manufacturing industries reported gains, the largest was a 29.3% increase in the petroleum and coal industry, which drove profits to \$4.6 billion. Data from the Monthly Survey of Manufacturing show that the value of shipments of petroleum and coal products reached its highest point in the first quarter of 2014 since the third quarter of 2008.

Most of the gains in the manufacturing sector occurred as a result of a \$1.8 billion reduction in operating losses in the computer and electronic products manufacturing industry.

Wholesale trade operating profits grew 6.1% to \$7.9 billion. Building material and supplies wholesalers rebounded from their worst operating profit level in four years as profits rose 56.4% to \$953 million, marking the largest increase in the sector.

Operating profits for retail trade decreased by 0.5% to \$4.2 billion. Gains in motor vehicle and parts dealers (up 20.0% to \$627 million) and furniture, home furnishings, electronics and appliance stores (up 6.2% to \$388 million) were nearly offset by declines in food and beverage stores, as well as decreases in clothing, department and other general merchandise stores.

Financial sector

First quarter operating profits in the financial sector rose 2.5% to \$23.0 billion.

Operating profits for depository credit intermediaries grew 13.4% to \$10.7 billion.

Insurance carriers saw the largest decline in operating profits, falling 20.4% to \$3.1 billion. Life, health and medical insurers posted a 36.0% drop in operating profits to \$1.2 billion, while property and casualty insurance carrier profits fell 8.0% to \$1.4 billion.

Note to readers

Quarterly financial statistics are compiled using financial information provided by enterprises that derive this data from their financial statements. Starting on January 1, 2011, Canadian publicly accountable enterprises are required to replace Canadian Generally Accepted Accounting Principles (CGAAP) with International Financial Reporting Standards (IFRS) when preparing their financial statements for fiscal years starting on or after January 1, 2011. Canadian private enterprises are required to replace CGAAP by Accounting Standards for Private Enterprises or IFRS. The adoption of new accounting standards by some enterprises since the beginning of 2011 may affect comparability with prior periods.

Quarterly profit numbers referred to in this release are seasonally adjusted and are in current dollars. The quarterly financial data for the period covering the first quarter of 2011 to the fourth quarter of 2013 inclusive have been revised following reconciliation to the 2011 and 2012 annual series. In addition, seasonally adjusted data have been revised back to 2011.

Quarterly financial statistics for enterprises are based upon a sample survey and represent the activities of all corporations in Canada, except those that are government controlled or not-for-profit. An enterprise can be a single corporation or a family of corporations under common ownership and/or control, for which consolidated financial statements are produced.

Profits referred to in this analysis are operating profits earned from normal business activities. For non-financial industries, operating profits exclude interest and dividend revenue and capital gains/losses whereas, for financial industries, these are included, along with interest paid on deposits.

Operating profits differ from net profits, which represent the after-tax profits earned by corporations.

Table 1
Quarterly financial statistics for enterprises – Seasonally adjusted

	First quarter 2013	Fourth quarter 2013 ^r	First quarter 2014 ^p	Fourth quarter 2013 to first quarter 2014	First quarter 2013 to first quarter 2014
	billions of dollars			% change	
All industries					
Operating revenue	865.3	897.2	907.2	1.1	4.8
Operating profit	78.9	82.5	88.6	7.4	12.3
Net profit	58.1	64.3	66.2	2.9	13.9
Non-financial					
Operating revenue	785.2	812.8	819.2	0.8	4.3
Operating profit	58.2	60.1	65.6	9.3	12.8
Net profit	43.7	48.0	48.8	1.8	11.7
Financial					
Operating revenue	80.1	84.3	88.0	4.4	9.9
Operating profit	20.7	22.4	23.0	2.5	10.7
Net profit	14.4	16.4	17.3	5.9	20.6

^r revised

^p preliminary

Note(s): Figures may not add up to totals because of rounding.

Available in CANSIM: tables 187-0001 and 187-0002.

Definitions, data sources and methods: survey number 2501.

Aggregate balance sheet and income statement data for Canadian corporations are now available on CANSIM at the national level for 22 industry groupings.

The first quarter 2014 issue of the *Quarterly Financial Statistics for Enterprises* (61-008-X) will be available soon.

Financial statistics for enterprises for the second quarter will be released on August 26.

For more information, contact us (toll-free 1-800-263-1136; 514-283-8300; infostats@statcan.gc.ca).

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