

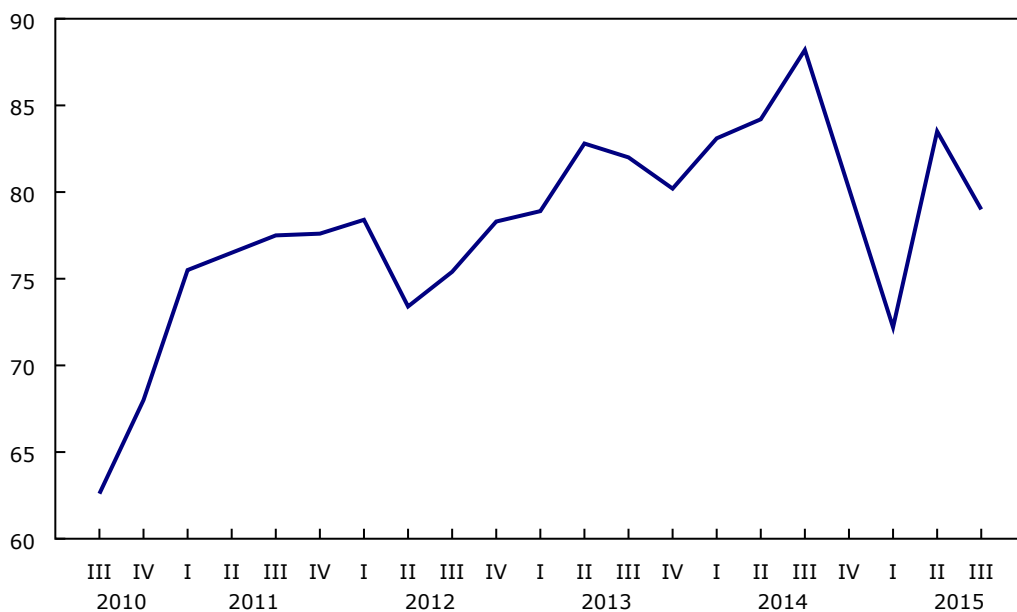
Quarterly financial statistics for enterprises, third quarter 2015

Released at 8:30 a.m. Eastern time in *The Daily*, Thursday, November 26, 2015

Canadian corporations earned \$79.0 billion in operating profits in the third quarter, down 5.4% from the previous quarter. The decrease resulted from a \$2.4 billion drop in profits in the financial sector and a \$2.1 billion decline in non-financial enterprises. This decline followed a 15.7% increase in the second quarter. Overall, operating profits were up in 12 of 22 industries.

Chart 1
Quarterly operating profits

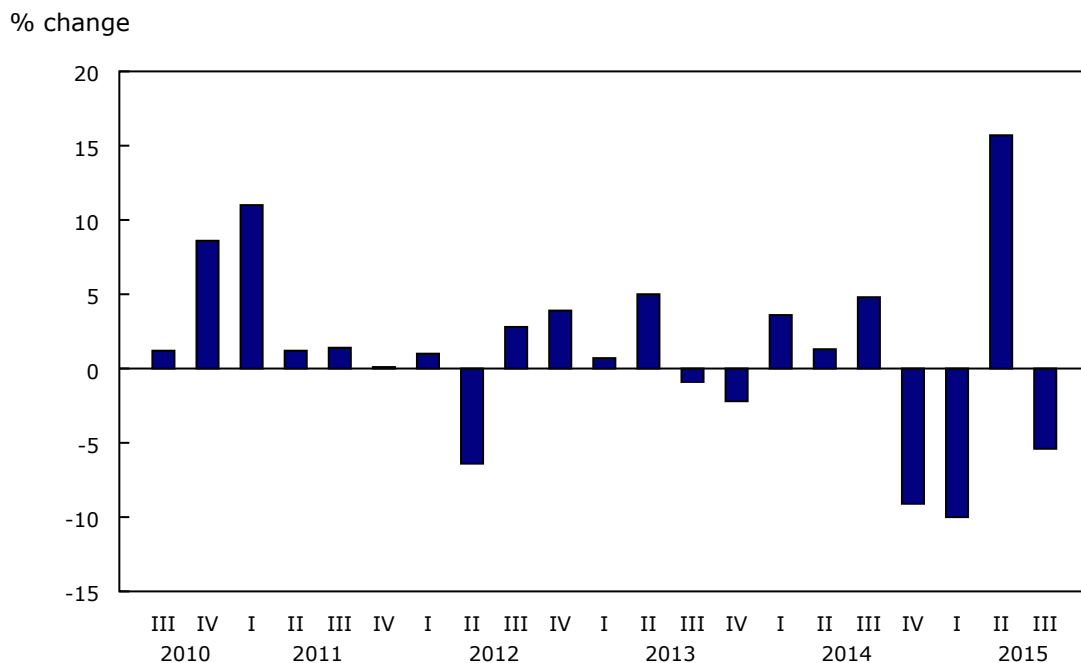
billions of dollars



Source(s): CANSIM table [187-0002](#).

In the non-financial sector, third quarter operating profits fell 3.7% to \$54.3 billion, following a 2.5% increase in the second quarter.

Chart 2
Quarterly change in operating profits



Source(s): CANSIM table [187-0002](#).

In the financial sector, operating profits declined by \$2.4 billion to \$24.7 billion, mainly because of a large change in the value of actuarial liabilities by life insurers.

On a year-over-year basis, operating profits for all Canadian corporations decreased 10.4% compared with the third quarter of 2014. Profits fell 14.6% in the non-financial sector and increased 0.3% in the financial sector.

Non-financial sector

The oil and gas extraction industry posted an operating loss for the third consecutive quarter. An operating loss of \$1.0 billion in the third quarter resulted from a 4.3% drop in operating revenues to \$33.6 billion. Operating revenues have fallen by \$10.6 billion since the third quarter of 2014.

The industry mitigated these losses, however, by reducing salaries and wages, lowering exploration and development expenses, along with reducing resource royalties paid.

Total manufacturing operating profits declined 8.6% to \$12.0 billion, with lower profits reported in 7 of 13 manufacturing industries.

The largest decline in operating profits in the manufacturing sector was seen in primary metal manufacturing, which fell by \$451 million, or 55%, to \$364 million.

Profits in the petroleum and coal products manufacturing industry decreased by \$401 million to \$1.1 billion. Operating revenues fell 3.7% to \$26.4 billion.

Sales of motor vehicles remained strong, with profits in the motor vehicles and parts manufacturing industry up 7.4% to \$1.4 billion.

Operating profits in wholesale trade fell 3.7% to \$5.1 billion. Lower profits were observed for machinery, equipment and supply merchant wholesalers, down 11.6% to \$1.2 billion. Profits for building material and supplies merchant wholesalers fell 17.8% to \$356 million.

Operating profits in the retail sector declined 4.9% to \$3.7 billion. Food and beverage stores saw profits decline by 11.7% to \$668 million. As well, profits for clothing, department and other general merchandise stores decreased 9.3% to \$839 million, following a 35.1% increase in the second quarter.

Motor vehicle and parts dealers posted the lone increase in the retail sector, with profits rising 6.0% to \$674 million.

Transportation and warehousing profits increased 1.3% to \$4.4 billion. Transportation increased by 5.0% to \$2.8 billion. Pipelines, warehousing and transportation support activities profits fell 4.5% to \$1.6 billion.

Information and cultural industries profits increased 8.4% to \$4.6 billion. Both subsectors generated higher operating profits. The telecommunications industry increased 7.9% to \$3.3 billion, while publishing, broadcasting, motion pictures sound recording and information services industry rose 9.6% to \$1.3 billion.

Financial sector

Operating profits in the financial sector decreased by 9.0% to \$24.7 billion in the third quarter.

Insurance carriers' profits fell by \$3.9 billion from the second quarter to \$4.0 billion in the third quarter. The large drop in operating profits came mainly from actuarial liabilities, as revenue from premiums remained stable.

Profits for depository credit intermediaries (banks and credit unions) increased 12.0% to \$10.8 billion, mainly on higher net interest income.

Note to readers

Quarterly financial statistics are compiled using financial information provided by enterprises, which derive these data from their financial statements. Starting January 1, 2011, Canadian publicly accountable enterprises were 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 were 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 the comparability of data with those of prior periods.

Quarterly profit numbers referred to in this release are seasonally adjusted and are in current dollars. Financial data for the first and second quarters of 2015 have been revised.

For information on seasonal adjustment, see [Seasonally adjusted data – Frequently asked questions](#).

Quarterly financial statistics for enterprises are based on 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.

Real-time CANSIM tables

Real-time CANSIM tables 187-8001 and 187-8002 will be updated on December 10. For more information, consult the document [Real-time CANSIM tables](#).

Next release

Financial statistics for enterprises for the fourth quarter of 2015 will be released on February 25, 2016.

Table 1
Quarterly financial statistics for enterprises – Seasonally adjusted

	Third quarter 2014	Second quarter 2015 ^r	Third quarter 2015 ^P	Second quarter to third quarter 2015	Third quarter 2014 to third quarter 2015
	billions of dollars			% change	
All industries					
Operating revenue	936.0	914.9	919.5	0.5	-1.8
Operating profit	88.2	83.5	79.0	-5.4	-10.4
Net profit	66.4	60.2	48.0	-20.2	-27.6
Non-financial					
Operating revenue	847.5	830.8	833.4	0.3	-1.7
Operating profit	63.5	56.4	54.3	-3.7	-14.6
Net profit	47.4	42.5	29.7	-30.1	-37.3
Financial					
Operating revenue	88.5	84.2	86.1	2.3	-2.7
Operating profit	24.6	27.1	24.7	-9.0	0.3
Net profit	19.0	17.7	18.3	3.8	-3.7

^r revised

^P preliminary

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

Source(s): CANSIM table [187-0002](#).

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 in CANSIM at the national level for 22 industry groupings.

The third quarter 2015 issue of the *Quarterly Financial Statistics for Enterprises* ([61-008-X](#)) will be available soon.

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

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