

# 1983 Annual Report

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## President's Report



*John D. Thompson*

Governments in the key industrial nations appear to have been successful in breaking the inflation that had become entrenched in western economies over the past decade, but at a cost, perhaps considerably in excess of what anyone anticipated, both economically and socially.

A great deal of damage has been done to the business sector: Profits plunged as operating levels fell and interest rates rose. Many well-established, well-managed companies went under or were pushed to the brink, while unemployment levels soared, resulting in much hardship.

Management of the emerging recovery, therefore, is going to be critical, and a strong case can be made in favour of a gradual expansion, although that may result in a slower than desired increase in employment levels.

The small business sector was particularly hard hit during the recession. It simply did not have the financial resources to withstand a prolonged downturn in the economy combined with a rapid escalation in costs, as was the case with interest rates.

The recession on the other hand, forced companies to reduce controllable costs, carefully examine every aspect of their operations, and develop less expensive, more efficient ways of doing business.

Therefore, many companies have emerged from the recession more competitive and able to take advantage of the recovery. Among these are the majority of our clients.

Fiscal 1983 was difficult for RoyNat, as it was for our clients. The number of business failures increased and it was necessary to support a number of clients pending improvement of their business prospects.

The decrease in profits is a direct reflection of higher loan losses and an increase in non-productive loans. Unlike the chartered banks, loan losses are not averaged on a five-year basis for profit and loss purposes, and therefore, losses have an immediate impact in the year in which they are incurred. Non-productive loans peaked in the second quarter and remained relatively flat for the balance of the year. In the last two months of the fiscal year there were definite signs of improvement in this category.

A determined effort was made to keep operating costs in line with assets, and this measurement compares very favourably with other financial intermediaries.

Our volume of new business for the last two years has been relatively static, considerably below historic levels, and not sufficient to show any growth in assets. This again is a legacy of general economic conditions and high interest rates and the resulting deferment of capital expenditures because of plant capacity levels.

During the recession many financial organizations believed it to be prudent to strengthen their financial positions by raising additional equity. RoyNat and its shareholders were also of this view and, therefore, an additional 15 million dollars was invested in common shares.

Our directors provided continuing valuable support and advice, for which I wish to express my appreciation. During the year, Mr. Louis Archambault resigned as a director and was replaced by Mr. Maurice Jodoin, his successor as President of Trust General. The directors join me in recognizing and commending the fine performance of our staff during this trying period.

It is clear there is a growing awareness in Canada of the fact that small/medium-sized companies are our greatest source of economic vitality and jobs. Therefore, looking to the rest of the '80s, it is probably reasonable to predict that this sector of the economy (and RoyNat's principal market) will play a role of growing importance in the improvement of the country's competitive position and creation of new jobs.



*What this  
country needs  
is more  
people like...*



*Donat Flamand of Donat Flamand Inc.  
Saint-Appollinaire, Quebec*



*Jack and Herb Welch of Twister Pipe Ltd.  
Calgary, Alberta*

During the year RoyNat launched an advertising program that had, as its principal objective, support of the small and medium sized business sector. The campaign, which contained no information about the company's services, simply told the story of the achievement of some of our clients like those above. It was intended to heighten public awareness of the importance of the entrepreneur or owner/manager in Canada in terms of his contribution in wealth and jobs to the common good. The campaign had its genesis in a generalized feeling that somehow risk and reward had become unbalanced in Canada; that the country had become increasingly hostile to risk takers; and that a strong, sustainable recovery would be difficult unless policy and regulatory changes were introduced to create a climate that would encourage individual initiative.

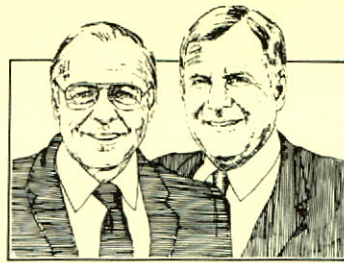
There is little doubt that the years of the recession have been particularly severe for the SMB sector. However, RoyNat has observed that small, well-managed companies are generally able to respond faster to adverse market conditions than larger firms. Those companies that have survived, therefore, are in a strong position to take full advantage of the opportunities now evolving.

During the recession RoyNat did everything possible to improve its services to the SMB sector. Last summer, when the federal government introduced the Small Business Investment Grant program, designed to assist small businesses by rebating interest up to 4% on certain types of loans, the company was the first financial institution to offer this type of loan.

At the regional level, vice-presidents participated more in negotiations and consultations with clients. This improved the quality of our services by involving senior people directly with clients.



Joe Shannon of Seaboard Liquid Carriers Ltd., Port Hawkesbury, N.S.



Gaston Thisdale and Jean Morel of Laurentide Chips of Laval, Quebec



Vern Brown of Mike's Supermarkets Timmins, Ont.

Additional computer facilities were introduced at the field level to assist clients in cash budgeting, support our decision making process and improve our efficiency.

The RoyNat Guarantee Corporation, a wholly-owned subsidiary of RoyNat Inc., was established to participate in a federal government program to encourage institutional lenders to invest in the small/medium business sector. During the year the company signed a reinsurance agreement with Ottawa. Again RoyNat was one of the first in the financial sector to take advantage of federal regulatory changes on behalf of its clients.

The new corporation brings together the resources and expertise of several parties: large institutional lenders, the federal department of Industry, Trade and Commerce, RoyNat, and the small business sector.

The volatility of interest rates has been a disturbing trend for businessmen in general, with rates creating an uncertainty that made planning difficult. In the past year therefore, RoyNat introduced a number of new options, including one-year fixed rates, to provide clients with greater flexibility.

RoyNat is in a sound position to take advantage of the opportunities which will occur as the recovery gains strength, although it will be some time before demand for long-term capital reaches pre-recession levels. Nevertheless, the outlook for RoyNat, and the small/medium business sector it serves, is brighter now than it has been since the present decade began.

*All this country needs is more people like...*



## Five Year Highlights

	1983	1982	1981	1980*	1979*
<b>Balance Sheet</b>					
Total Assets	\$ 978,718,000	\$ 997,049,000	\$ 925,459,000	\$ 744,279,000	\$ 618,315,000
Average Finance Assets	968,790,000	945,930,000	825,807,000	674,346,000	579,881,000
Provision for Losses					
— Specific	14,279,000	8,227,000	6,165,000	4,274,000	4,289,000
— General	5,745,000	4,560,000	4,129,000	3,287,000	2,582,000
Short Term Borrowings	64,529,000	66,964,000	22,789,000	33,207,000	18,640,000
Long Term Debt	819,073,000	836,111,000	799,122,000	622,838,000	515,138,000
Capital — Preferred Shares	18,500,000	18,500,000	18,500,000	11,000,000	11,000,000
— Common Shares	26,000,000	11,000,000	11,000,000	11,000,000	11,000,000
Retained Earnings	35,502,000	35,161,000	33,455,000	29,663,000	26,120,000
<b>Operations</b>					
Gross Revenue — Taxable	122,236,000	137,830,000	114,191,000	88,535,000	69,924,000
— Non-Taxable	12,293,000	16,137,000	3,950,000	1,004,000	663,000
Total Gross Revenue	134,529,000	153,967,000	118,141,000	89,539,000	70,587,000
Cost of Funds Borrowed	118,234,000	141,782,000	94,442,000	66,509,000	48,120,000
Staff Costs	6,915,000	6,831,000	6,117,000	5,099,000	4,691,000
Other Operating Costs	5,238,000	5,306,000	4,751,000	4,168,000	3,984,000
Net Losses on Specific Loans	11,193,000	4,450,000	2,568,000	1,971,000	2,028,000
General Provision For Losses	1,185,000	431,000	842,000	705,000	503,000
Taxes on Income (Recovery)	(10,312,000)	(10,574,000)	2,549,000	4,849,000	5,073,000
<b>Net Earnings</b>	<b>2,076,000</b>	<b>5,741,000</b>	<b>6,872,000</b>	<b>6,238,000</b>	<b>6,188,000</b>
<b>Dividends — Preferred Shares</b>	<b>1,515,000</b>	<b>1,670,000</b>	<b>880,000</b>	<b>880,000</b>	<b>880,000</b>
— Common Shares	<b>220,000</b>	<b>2,365,000</b>	<b>2,200,000</b>	<b>1,815,000</b>	<b>1,760,000</b>
<b>Business Volume</b>					
New Business Written	155,787,000	146,155,000	345,339,000	245,019,000	190,418,000
Disbursements	158,901,000	206,515,000	316,381,000	237,506,000	160,364,000
Commitments at End of Year	53,048,000	56,162,000	118,380,000	91,309,000	80,700,000
Number of Clients	3,121	3,246	3,310	2,880	2,732
Average Amount Committed During the Year	293,000	360,000	274,000	300,000	255,000

\*Restated



## Financial Review

**New Business Volume** Although RoyNat wrote \$156-million of new business in 1983 — up from \$146-million the previous year — the loan volume was not sufficient to support growth in assets. These fell from \$997 million at April 30, 1982 to \$979 million at April 30, 1983.

The recovery is beginning to stimulate demand for term capital, but only a gradual return to more normal business levels is expected in the current fiscal year.

TABLE 1 (\$ millions)

	1983	1982	1981	1980	1979
Year-end assets	979	997	925	744	618
Business volume	156	146	345*	245	190

\*1981 Business volume included \$143-million of business written under the Small Business Development Bond program which was of a one-year duration.

**Operating Results** The economic recession that had such a severe impact on small and medium sized businesses clearly had a major impact on RoyNat's profitability. Net profit for 1983 was \$2.1-million compared to \$5.7-million in 1982, due directly to increased loan losses and the cost of carrying non-productive accounts. Loan losses were 2.5 times those of the prior year while the cost of carrying non-productive accounts almost doubled.

TABLE 2 (\$ millions)

	1983	1982	1981	1980	1979
Average Financial Assets	968.8	945.9	825.8	674.3	579.9
Loan Losses	11.2	4.5	2.6	2.0	2.0
% of Average Assets	1.16%	.47%	.31%	.29%	.35%

As can be seen, loan losses began to escalate in fiscal 1982 as the economy slipped into recession, and became more severe in fiscal 1983 as the recession lengthened and deepened. While we don't anticipate an immediate turnaround, the trends have been improving and we expect further improvement as the economy continues to strengthen.

Gross margin on a tax equivalent basis improved from 2.37% to 2.50%, even after absorbing \$4.2-million more of additional costs on non-productive loans than in the prior year. This reflects the continued improvement in interest rates and effective matching of assets and related debt.

Fee and Other Revenues decreased from 0.33% of average assets to 0.26% due to lower activity levels, while total operating costs were virtually flat in dollar terms, and as a % of average finance assets, improved from 1.28% to 1.25% during the year.

In summary, while absorbing substantial loan losses and related costs which resulted in reduced profitability, RoyNat has weathered the recessionary cycle relatively well. The injection of \$15-million of new equity by its shareholders has strengthened the company's financial position and RoyNat remains in a strong position to benefit from the improving business environment.




# Consolidated Balance Sheet    ASSETS

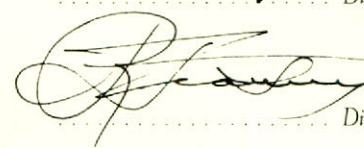
April 30, 1983  
with comparative figures for 1982

	1983	1982
Financing extended to Canadian corporations at cost (note 1)	\$ 927,678,874	930,968,485
Receivable under lease contracts less unearned income of \$10,069,261 (1982 — \$14,024,534) (note 2)	32,312,406	45,218,661
Estimated residual value of assets under lease and assets held for realization	850,794	1,013,585
Accrued interest	13,667,119	13,068,622
	974,509,193	990,269,353
Provision for losses	20,024,252	12,786,933
	954,484,941	977,482,420
Cash and short term deposits	11,380,181	2,033,329
Fixed assets, at cost less depreciation of \$2,228,159 (1982 — \$1,913,256)	1,489,809	1,748,090
Unamortized debt discount and expense	1,977,054	2,486,176
Income taxes recoverable	897,689	2,103,114
Other	8,487,842	11,195,836
	<u>\$ 978,717,516</u>	<u>997,048,965</u>

The accompanying notes are an  
integral part of these consolidated  
financial statements.

Approved on behalf of the Board:

  
..... Director

  
..... Director



## LIABILITIES AND SHAREHOLDERS' EQUITY

	1983	1982
Short term notes (note 3)	\$ 64,529,000	66,964,000
Accounts payable and accrued liabilities	422,642	352,257
Accrued interest payable	9,914,576	12,809,473
Deferred investment tax credits	175,722	366,250
Lease rentals received in advance	227,324	235,803
Deferred income taxes	4,373,000	15,549,000
Secured notes and non-cancellable term credits (note 3)	764,033,000	780,633,000
Debentures (note 4)	55,040,000	55,478,000
Capital stock:		
Series A \$8 cumulative redeemable preferred shares, issued 110,000 shares	11,000,000	11,000,000
Series B floating rate cumulative redeemable preferred shares, issued 75,000 shares	7,500,000	7,500,000
Class A common shares, issued 110,000 shares	11,000,000	11,000,000
Class B non-voting common shares, issued 150,000 shares	15,000,000	—
Retained earnings	35,502,252	35,161,182
	<u>\$ 978,717,516</u>	<u>997,048,965</u>

## AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the consolidated balance sheet of RoyNat Inc. as at April 30, 1983 and the consolidated statements of earnings, retained earnings and changes in financing assets for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the company as at April 30, 1983 and the results of its operations and the changes in its financing assets for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

*Peat, Marwick, Mitchell & Co.*

Chartered Accountants

Montreal, Canada

May 27, 1983



## Consolidated Statement of Earnings

Year ended April 30, 1983  
with comparative figures for 1982

	1983	1982
Gross revenue from operations	\$ 134,528,643	153,967,256
Expenses:		
Interest	117,166,050	140,491,663
Discounts, expenses and other debt related costs	1,067,667	1,290,474
Salaries, pension contributions and staff benefits	6,914,470	6,831,033
Premises expenses	1,545,040	1,529,628
Provision for losses, less recoveries	12,378,544	4,881,318
Other operating expenses	3,692,953	3,775,803
	<u>142,764,724</u>	<u>158,799,919</u>
Losses before income taxes	(8,236,081)	(4,832,663)
Recovery of income taxes (note 5)	10,312,056	10,573,964
Net earnings for year	<u>\$ 2,075,975</u>	<u>5,741,301</u>

The accompanying notes are an integral part of these consolidated financial statements.

## Consolidated Statement of Retained Earnings

Year ended April 30, 1983  
with comparative figures for 1982

	1983	1982
Balance at beginning of year	\$ 35,161,182	33,454,805
Net earnings for year	<u>2,075,975</u>	<u>5,741,301</u>
	37,237,157	39,196,106
Dividends paid:		
Preferred shares	1,514,905	1,669,924
Common shares	<u>220,000</u>	<u>2,365,000</u>
	1,734,905	4,034,924
Balance at end of year	<u>\$ 35,502,252</u>	<u>35,161,182</u>

The accompanying notes are an integral part of these consolidated financial statements.



# Consolidated Statement of Changes in Financing Assets

Year ended April 30, 1983  
with comparative figures for 1982

	1983	1982
Net increase (decrease) in financing assets:		
Term financing	\$ (2,691,114)	80,862,489
Leasing	(13,069,046)	(16,532,958)
	(15,760,160)	64,329,531
Increase in provision for losses	(7,237,319)	(2,492,689)
	<u>\$ (22,997,479)</u>	<u>61,836,842</u>
The net increase (decrease) in financing assets was provided by:		
Net earnings	\$ 2,075,975	5,741,301
Items charged (credited) to earnings not affecting financing assets:		
Amortization of debt discount and expense	818,352	1,021,993
Depreciation	375,729	481,498
Deferred income taxes	(11,176,000)	(7,754,000)
Deferred investment tax credits	(190,528)	(288,000)
	(8,096,472)	(797,208)
Less dividends paid	1,734,905	4,034,924
	<u>(9,831,377)</u>	<u>(4,832,132)</u>
Net increase (decrease) in debt:		
Net proceeds from sale of secured notes	49,661,000	64,913,500
Net increase in short term borrowings including those classified as long term debt (note 3)	52,565,000	119,175,000
Redemption of secured notes	(121,600,000)	(103,812,000)
Redemption of debentures	(438,000)	(199,000)
	<u>(19,812,000)</u>	<u>80,077,500</u>
Cash received on issue of common shares	15,000,000	—
Decrease (increase) in cash and short term deposits	(9,346,852)	(826,122)
Other items — net	992,750	(12,582,404)
	<u>\$ (22,997,479)</u>	<u>61,836,842</u>

The accompanying notes are an integral part of these consolidated financial statements.



# Notes to Consolidated Financial Statements

April 30, 1983

RoyNat Inc., ("RoyNat") is incorporated under the Canada Business Corporations Act and is in the business of providing term financing and equipment leasing to Canadian businesses. RoyNat's subsidiary, RoyNat Guarantee Corporation ("RGC") is licensed to write credit insurance in all provinces and territories in Canada. Underwriting operations had not commenced as of April 30, 1983. The consolidated financial statements are prepared on the basis of generally accepted accounting principles in Canada and conform in all material respects to international accounting standards. The most significant of the accounting policies followed by RoyNat are described below:

*Basis of presentation:* The accompanying consolidated financial statements include the accounts of RoyNat and its subsidiary, from September 14, 1982, the date on which RGC applied to the Superintendent of Insurance for a Certificate of Registration under the Canadian and British Insurance Companies Act to April 30, 1983.

*Income from leasing operations:* Unearned lease income representing the excess of the gross amount receivable on lease contracts over the cost of the assets leased, net of estimated residual value, is recorded when a lease is executed and taken into income in monthly amounts directly related to the declining balance of the unrecovered investment in the leased assets.

*Investment tax credits:* Investment tax credits on assets acquired for leasing, and available to RoyNat to reduce income taxes, are recognized in the year in which the assets are acquired. To the extent that the investment tax credits result in a permanent reduction of income taxes payable, the reduction is recorded as deferred investment tax credits which are amortized by a credit to taxes on income in the statement of earnings over the terms of the leases on the same basis as unearned income on leases is recognized as revenue.

*Provision for losses:* Financing and leasing accounts are reviewed by management on a regular basis. Estimated losses, including liquidation expenses, on accounts in liquidation or to be placed in liquidation as a result of these reviews, are provided for by a charge to expenses in the period in which they are incurred or estimated. Upon final liquidation of accounts, the asset is written off against the provision. In addition, RoyNat maintains a general provision for losses based on historical loss experience.

*Fixed assets and depreciation:* Leasehold improvements to office premises rented by RoyNat are amortized by a charge against earnings on a straight-line basis over the terms of the leases. Depreciation of office furnishings and equipment at a rate of 20% and of automobiles at 30% is provided using the diminishing balance method.

*Debt discount and expense:* Discounts and expenses incurred in connection with the issue of long term debt are amortized by a charge against earnings over the terms to maturity of the issues on a straight-line basis. Where debt is subject to an early maturity option, the related discount and expenses are amortized over the period to the earlier maturity date. The unamortized discounts and expenses applicable to debt retired pursuant to purchase fund requirements is charged against earnings in the period in which the debt is purchased.

## 1. Term financing:

Indebtedness of borrowers is generally evidenced by bonds, debentures or loan agreements secured by specific and/or floating charges and/or guarantees. The bonds and debentures are not considered to be readily marketable and generally mature over periods up to ten years. Approximately \$204.3 million of term financing matures during the next twelve months. RoyNat holds preferred and common shares costing \$11.5 million, including marketable shares with a cost of \$10.0 million having a market value of approximately \$10.2 million.

At April 30, 1983, RoyNat was under contract to provide further financing totalling \$53.0 million and in addition has authorized, subject to acceptance by the applicants, a further \$9.1 million.

## 2. Leasing:

Of the gross amount receivable under lease contracts totalling \$42.4 million, approximately \$12.0 million is receivable in the next twelve months.

## 3. Secured notes and non-cancellable term credits:

### Secured notes:

1983	October 19	9.875%*	\$ 20,000,000	1986	February 15	12.25%	6,000,000
	October 20	9.740%*	25,000,000		September 15	10.50%	8,980,000
1984	January 13	9.663%*	15,000,000		September 15	11.00%	2,442,000
	April 15	8.75%	3,135,000		July 3	9.867%*	15,000,000
	July 12	9.70%*	15,000,000		July 29	17.00%	26,000,000
1985	February 19	12.25%**	5,000,000		July 30	9.70%*	10,000,000
	March 1	9.50%	6,190,000		December 15	17.25%	40,000,000
	March 17	9.875%*	20,000,000	• 1987	January 15	12.25%	10,000,000
	July 1	10.00%	9,059,000		March 3	9.867%*	15,000,000
	August 1	8.50%	4,528,000		April 15	9.25%	5,000,000
	December 15	9.888%*	5,000,000		November 15	9.50%	13,699,000
					December 1	13.00%	20,000,000
				• 1988	February 15	12.50%	24,000,000
					April 13	14.50%	25,000,000
				1989	April 16	8.125%**	25,000,000
				1990	April 16	10.375%**	25,000,000

Total secured notes	399,033,000
Short term notes and bankers' acceptances	365,000,000
	<u>\$764,033,000</u>

\*The interest rates are adjusted periodically based on certain prescribed rates and at April 30, 1983 were as above.

\*\*The holder of the secured note is a shareholder of RoyNat.

The interest rates on the 1989 and 1990 secured notes are adjusted periodically based on certain prescribed rates.



Short term notes and bankers' acceptances, with maturities within one year, are classified as long term debt to the extent of non-cancellable term credits arranged with RoyNat's bankers. At April 30, 1983 such credits amounted to \$365 million with \$50 million, \$55 million, \$50 million, \$75 million and \$135 million expiring June 30, 1983, December 1, 1985, May 1, 1986, August 1, 1986 and August 1, 1987 respectively. The non-cancellable credits are supported by secured notes pledged as collateral security for any amounts which might be outstanding under these arrangements.

Maximum purchase fund requirements and sinking fund requirements and maturities of secured notes and non-cancellable term credits over the next five years are detailed below:

	Maximum Purchase Fund Requirements	Sinking Fund Requirements and Maturities	Total
Year ending April 30, 1984	\$ 325,000	138,135,000	138,460,000
Year ending April 30, 1985	915,000	46,039,000	46,954,000
Year ending April 30, 1986	556,000	78,990,000	79,546,000
Year ending April 30, 1987	300,000	256,907,000	257,207,000
Year ending April 30, 1988	—	191,866,000	191,866,000

The short term notes and bankers' acceptances described above are included in the year in which the non-cancellable term credits expire. The April 13, 1988 secured note which is subject to early maturity has been included in the maturities for the year ending April 30, 1984.

Substantially all the assets of RoyNat are pledged as security for secured notes.

During the year, interest expense on the above instruments amounted to \$126,676,769 (1982 — \$127,273,507).

#### 4. Debentures:

1996 April 15	10.75% (April 15, 1986)*	\$ 22,765,000
1997 September 1	9.625% (September 1, 1987)*	13,327,000
1999 September 14	10.75% (September 14, 1989)*	18,948,000
		<u>\$ 55,040,000</u>

\*The holder may elect that his debenture matures on this date.

Maximum purchase fund requirements and maturities of debentures over the next five years are detailed below:

	Maximum Purchase Fund Requirements	Sinking Fund Requirements and Maturities	Total
Year ending April 30, 1984	\$ 246,000	—	246,000
Year ending April 30, 1985	961,000	—	961,000
Year ending April 30, 1986	1,200,000	21,667,000	22,867,000
Year ending April 30, 1987	700,000	—	700,000
Year ending April 30, 1988	400,000	12,666,000	13,066,000

In those cases where debentures may, upon election by the holders, mature prior to their due dates, the maturities of such debentures are included on the basis of the earlier maturity date.

During the year, interest expense on debentures amounted to \$5,805,509 (1982 — \$5,830,079).

#### 5. Recovery of income taxes:

RoyNat's recovery of income taxes is made up as follows:	1983	1982
Losses before income taxes	\$ 8,236,081	4,832,663
Add (deduct):		
Non-taxable revenue from Small Business		
Development Bonds	11,320,543	14,956,540
Non-taxable dividends	972,891	1,180,562
Miscellaneous	(46,922)	(144,246)
Losses for purposes of income tax computation	<u>\$ 20,482,593</u>	<u>20,825,519</u>
Recovery of income taxes	<u>\$ 10,312,056</u>	<u>10,573,964</u>

#### 6. Related party transactions:

RoyNat is owned by five prominent Canadian financial institutions. In the ordinary course of business, RoyNat enters into contractual arrangements with shareholders regarding short term and long term borrowings, lines of credit and the provision of services as trustee under instruments securing financing assets and as transfer agent and registrar for outstanding long term debt. Management believes that these transactions are at terms and rates no more nor less favourable than with unrelated parties.

The particulars of these transactions are as follows:

	1983	1982
Interest on secured notes	\$ 6,951,000	9,399,000
Standby fees	818,000	749,000
Trustee, transfer agent and registrar fees	250,000	268,000
Other interest and charges	115,000	273,000



\*Norman Cunningham

\*René Fortier

Maurice Jodoin

Gilles Mercure

\*J. C. McMillan

\*L. W. Stoll

\*\*J. D. Thompson

R. A. Utting

*\*Members of the Executive Committee*

*\*\*Chairman of the Executive Committee*

J. D. Thompson

*President and Chief Executive Officer*

Marcel Boudreau

*Executive Vice-President*

L. G. Legrove

*Executive Vice-President*

R. J. Durley

*Senior Vice-President*

R. R. Bell

*Vice-President*

L. V. Boileau

*Vice-President*

P. Bruneau

*Vice-President*

J. R. Dick

*Vice-President*

Paul Goulet

*Vice-President*

N. L. Henri

*Vice-President*

D. K. Murray

*Vice-President*

C. Proulx

*Vice-President*

E. Sauvé

*Vice-President*

J. R. Scopick

*Vice-President*

D. R. Swaine

*Vice-President*

P. W. Walton

*Vice-President*

W. H. Rimstad, C.A.

*Secretary-Treasurer*

## Regional Operations

Marcel Boudreau

*Executive Vice-President*

L. G. Legrove

*Executive Vice-President*

L. V. Boileau

*Vice-President — Credit*

D. K. Murray

*Vice-President — Credit*

## Finance and Planning

R. J. Durley

*Senior Vice-President*

W. H. Rimstad, C.A.

*Secretary-Treasurer*

J. R. Scopick

*Vice-President — Corporate Planning  
and Development*

B. Aucoin

*Director of Accounting*

G. H. Hubbell

*Manager of Systems & Data Processing*

G. Ménard

*Manager — Treasury Operations*

## Corporate Services

N. L. Henri

*Vice-President*

D. J. McRae

*Assistant Vice-President — Insurance*

H. R. Prévost

*Manager - Premises and Purchasing*

## Head Office

620 Dorchester Blvd. West  
Montréal, Québec H3B 1P2



## Industries We Serve

### Classification by Industry

as at April 30, 1983

	NUMBER	%	AMOUNT (\$'000)	%
Agriculture . . . . .	68	2.18	16,840	1.66
<b>Construction:</b>				
General . . . . .	45	1.44	11,938	1.18
Heavy . . . . .	58	1.86	16,467	1.62
Special Trades . . . . .	69	2.21	15,372	1.52
<b>Manufacturing:</b>				
Concrete Products . . . . .	47	1.51	15,796	1.56
Drugs & Chemicals . . . . .	25	0.80	6,247	0.62
Food & Beverages . . . . .	110	3.52	42,778	4.22
Metal . . . . .	318	10.19	107,815	10.63
Printing & Publishing . . . . .	80	2.56	22,290	2.20
Textiles & Clothing . . . . .	44	1.41	14,233	1.40
<b>Wood Industries:</b>				
Furniture & Fixtures . . . . .	35	1.12	14,063	1.39
Forest Products . . . . .	73	2.34	32,643	3.22
Mill Works . . . . .	35	1.12	10,875	1.07
Paper . . . . .	19	0.61	9,844	0.97
Miscellaneous . . . . .	173	5.54	56,659	5.59
<b>Natural Resources:</b>				
Forestry, Fishing . . . . .	41	1.31	10,495	1.04
Mines, Quarries, Petroleum . . . . .	65	2.08	34,345	3.38
<b>Trade:</b>				
Retail . . . . .	420	13.46	98,781	9.74
Wholesale . . . . .	137	4.39	49,417	4.87
<b>Transportation, Storage:</b>				
Air & Water . . . . .	30	0.96	17,651	1.74
Rail, Truck, Storage . . . . .	177	5.67	55,692	5.49
<b>Communications:</b>	32	1.03	24,945	2.46
<b>Community, Business &amp; Personal Services:</b>				
Accommodation . . . . .	255	8.17	137,352	13.55
Food Services . . . . .	260	8.33	54,147	5.34
Health & Recreation . . . . .	132	4.23	49,747	4.91
Other Services . . . . .	373	11.95	87,455	8.63
<b>TOTALS*</b>	<b>3,121</b>	<b>100.00</b>	<b>1,013,884</b>	<b>100.00</b>
<b>Geographical Distribution:</b>				
Atlantic Provinces . . . . .	305	9.77	70,829	6.99
Quebec . . . . .	797	25.54	283,597	27.97
Ontario . . . . .	1,032	33.07	306,442	30.22
Prairie Provinces . . . . .	467	14.96	165,107	16.29
British Columbia, Yukon, N.W.T. . . . .	520	16.66	187,909	18.53
<b>TOTALS*</b>	<b>3,121</b>	<b>100.00</b>	<b>1,013,884</b>	<b>100.00</b>

\*Includes Outstandings and Commitments







## *Regions/ district offices*

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### Atlantic Region

J. R. Dick/Vice-President	St. John's	P. A. Saunders
	Halifax	B. Taylor
	Moncton	D. A. Atkinson

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### Eastern Québec Region

P. Goulet/Vice-President	Rimouski	Y. Goineau
G. Potvin/Assistant Vice-President	Québec	R. Bernier
	Sherbrooke	H. Lavigueur
	Drummondville	J. Tessier
	Trois Rivières	R. Théoret

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### Western Québec Region

C. Proulx/Vice-President	Montréal Island	H. Plafter
E. M. H. Lande/Assistant Vice-President	Brossard	R. J. C. Delisle
	Laval	L. Charron
	Rouyn	P. C. Ouimet

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### Central Ontario Region

P. W. Walton/Vice-President	Oshawa	R. Fedus
	Toronto	E. A. Lawson
	Mississauga	B. Hunter

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### South Western Ontario Region

R. R. Bell/Vice-President	Hamilton	P. F. Smith
C. Schneider/Regional Manager	Kitchener	M. J. Labine
	London	P. M. Henrich
	Windsor	R. N. Fields

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### Northern Ontario & Manitoba Region

P. Bruneau/Vice-President	Ottawa	H. Pelletier
K. C. Moorse/Assistant Vice-President	Sudbury	N. C. Meunier
	Thunder Bay	B. Vallier
	Winnipeg	G. W. Proke

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### Western Region

D. R. Swaine/Vice-President	Saskatoon	J. K. Lacroix
J. C. Joseph/Assistant Vice-President	Calgary	P. K. Gaudet
	Edmonton	D. J. McLaughlin
	Lethbridge	G. R. McEachern
	Red Deer	J. J. Albert

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### Pacific Region

E. Sauvé/Vice-President	Kamloops	R. W. Laing
J. S. Timms/Assistant Vice-President	Prince George	K. Billingsley
	Vancouver	B. M. McGuire
	Surrey	W. G. Dance
	Nanaimo	M. B. Gleig

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