1985 Annual Report

RoyNat

As RoyNat's 1986 fiscal year begins, the outlook for prosperity in the small and medium-sized business sector is brighter than it has been for the past several years. There are increasing signs that the sector is leading the economy in terms of productivity and growth and, because of its past performance, it has also been targeted by government as the prime creator of new jobs.

This sector is the beneficiary of some encouraging proposals in Finance Minister Wilson's May budget, which may stimulate equity investments by both individuals and pension funds.

Proposed tax changes could also lead to higher expenditures for research and development. On an overall basis, these various measures should encourage growth in our principal market and accelerate capital expenditures.

In fiscal 1985, the market for new business continued to be extremely competitive and rate sensitive, and reflected the lack of expansion projects. Nevertheless, our new business volume increased and we retained our market share. Net profit was $2.7 million, and year-end assets were $909 million.

Once again, our results were affected by non-performing loans, primarily in Western Canada. While the amount of these loans declined, the improvement was not as rapid as anticipated. Carrying costs also increased because of higher interest rates. Actual loan losses were lower in 1985 than last year, but higher than anticipated, as the market for resale of real estate and equipment remained soft in several areas.

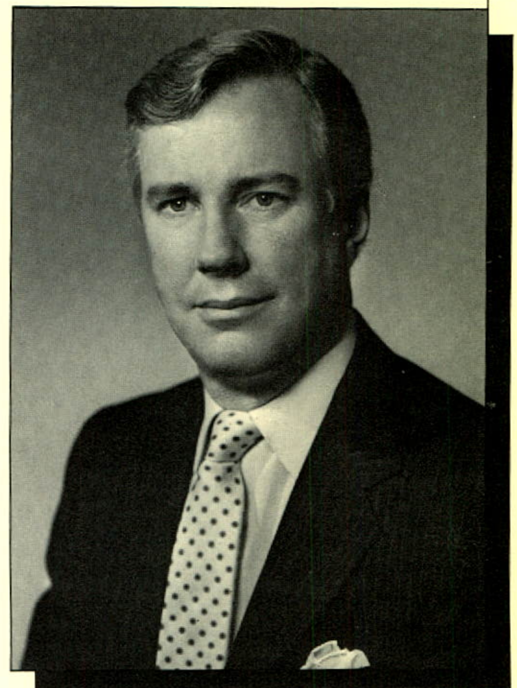
Traditionally, the company's portfolio has included many companies with term financing requirements below the $250,000 level. Even though we have a large number of these accounts, our overall penetration in this end of the market has been modest, since it is a sector that is well-served by the banks and the Federal Government's Small Business Loan Program.

Today, our assessment shows that the $250,000 to $5 million term loan market is where the company has achieved its greatest penetration. It has also been our most profitable sector. Therefore, while we will continue to serve our existing clients under the $250,000 level, our marketing efforts will be aimed at those businesses with term financing requirements in excess of $250,000.

Re-defining our market has enabled us to reduce overheads and service our market more directly by re-allocating human resources, closing some smaller district offices, and consolidating some regional offices. In addition, to promote RoyNat's services and administer our business more effectively, we have re-organized management both at the head office and regional office levels on a functional basis. Our objective is to place greater emphasis on marketing and product development while taking advantage of the benefits of specialization in both the credit and loan administration functions.

Our two Executive Vice-Presidents, Leo G. Legrove and Marcel Boudreau, who formerly had geographic responsibilities, now have functional responsibilities for Marketing and Credit, respectively. Responsibilities at the regional offices in Calgary, Toronto and Montreal, are now functionally based as well, with Vice-Presidents for Marketing, Credit, and Administration. Since the regional marketing executives do not handle credit approvals, most of their time is devoted to directing the marketing efforts of their regions, in particular the development of larger accounts.

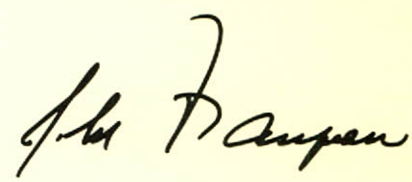
As an extension of our term lending services in the same market segment, we see opportunities in merchant banking, including mergers, acquisitions, divestitures, growth capital, syndications, and turn-arounds. We have been quite active in the financing of acquisitions and will be pursuing these and other opportunities much more aggressively.



John D. Thompson

We are also confident that our staff, who have performed admirably during these difficult years, will meet the challenges ahead.

I wish to express my appreciation to our Directors for the valuable support and advice they provided during the difficult period through which we have passed.



Five-Year Highlights

	1985	1984	1983	1982	1981
Balance Sheet					
Total Assets	**$909,419,000**	$945,843,000	$978,717,000	$997,049,000	$925,459,000
Average Finance Assets	**913,131,000**	945,393,000	968,790,000	945,930,000	825,807,000
Provision for Losses	**21,228,000**	19,856,000	20,024,000	12,787,000	10,294,000
Short Term Borrowings	**69,026,000**	76,857,000	64,529,000	66,964,000	22,789,000
Long Term Debt	**747,289,000**	774,661,000	819,073,000	836,111,000	799,122,000
Capital – Preferred Shares	**18,500,000**	18,500,000	18,500,000	18,500,000	18,500,000
– Common Shares	**30,680,000**	26,000,000	26,000,000	11,000,000	11,000,000
Retained Earnings	**34,237,000**	38,670,000	35,502,000	35,161,000	33,455,000
Operations					
Gross Revenue – Taxable	**110,734,000**	107,995,000	122,236,000	137,830,000	114,191,000
– Non-Taxable	**7,359,000**	8,132,000	12,293,000	16,137,000	3,950,000
Total Gross Revenue	**118,093,000**	116,127,000	134,529,000	153,967,000	118,141,000
Cost of Funds Borrowed	**98,325,000**	93,239,000	118,234,000	141,782,000	94,442,000
Staff Costs	**7,052,000**	6,978,000	6,914,000	6,831,000	6,117,000
Other Operating Costs	**5,664,000**	4,882,000	5,238,000	5,306,000	4,751,000
Provision for Losses	**9,486,000**	9,665,000	12,378,000	4,881,000	3,410,000
Taxes on Income (Recovery)	**(5,132,000)**	(3,695,000)	(10,312,000)	(10,574,000)	2,549,000
Net Earnings	**2,698,000**	5,058,000	2,076,000	5,741,000	6,872,000
Dividends – Preferred Shares	**1,412,000**	1,370,000	1,515,000	1,670,000	880,000
– Common Shares	**1,040,000**	520,000	220,000	2,365,000	2,200,000
– Common Shares Special Dividend	**4,680,000**				
Business Volume					
New Business Written	**208,977,000**	201,653,000	155,787,000	146,155,000	345,339,000
Disbursements	**203,384,000**	200,716,000	158,901,000	206,515,000	316,381,000
Commitments at End of Year	**59,578,000**	53,985,000	53,048,000	56,162,000	118,380,000
Number of Clients	**2,502**	2,860	3,121	3,246	3,310
Average Amount Committed During the Year	**420,000**	382,000	293,000	360,000	274,000

New Business Volume and Asset Levels ($ Millions)

	1985	1984	1983	1982	1981
New Business Volume	**209**	202	156	146	345*
*1981 includes $143 million of Small Business Development Bonds					
Assets					
Commercial Term Loans	**785**	797	792	784	735
Small Business Development Bonds	**82**	98	118	132	103
Lease Contracts	**15**	22	33	46	62
Other	**27**	29	36	35	25
Total Assets	**909**	946	979	997	925

Commercial financing has become increasingly competitive as many existing and new players have focused more directly on the small and medium business sector that RoyNat serves. This comes at a time when demand in this sector has remained very soft.

RoyNat, by identifying its market and focusing its efforts on a quality sector, has been able to write $209 million of new business in 1985, a level which has maintained its commercial term loans at $785 million, and its market share in a virtually no-growth market.

While total assets have declined in 1985 and the preceding two years, the decline has been in the tax-related SBDB and leasing portfolios, two areas in which RoyNat has not been active due to tax considerations.

Operating Results

(as a % of Average Finance Assets)

	1985	1984	1983	1982	1981
Net Margin*	**2.87**	3.17	2.76	2.74	3.21
Administration and Operating Expenses	**1.39**	1.25	1.25	1.28	1.32
Provision for Losses	**1.04**	1.02	1.28	.52	.41

*Tax Equivalent Basis

RoyNat's net margin was negatively impacted by an increase in the carrying cost of non-producing accounts. These costs represented .82% of average assets in 1985 compared to .65% in 1984. In addition, the net margin was reduced by lower spreads on new business reflecting competitive conditions, as well as a generally higher quality, lower yielding mix of new business.

Administration and Operating costs rose from 1.25% to 1.39% of average assets. These costs included reorganization related costs of $427M. This reorganization will result in reduced overheads in future years.

Loan Losses

Actual loan losses decreased modestly from $8.8 million to 8.5MM but represented .94% on average assets compared to .93% in 1984.

The level of non-producing accounts did not decline as rapidly as expected and remains above historic norms.

All the above factors contributed to a reduction in net earnings from $5.1 million in 1984 to $2.7MM in 1985.

Dividends

During the year RoyNat paid a special dividend on common shares totalling $4,680,000, which was reinvested by the shareholders in Class B Non-Voting Common Shares.

Consolidated Balance Sheet

April 30, 1985
with comparative figures for 1984

Assets

	1985	1984
Financing extended to Canadian corporations at cost (note 2)	**$881,049,000**	908,056,000
Receivable under lease contracts less unearned income of $5,511,000 (1984 – $7,320,000) (note 3)	**14,556,000**	21,516,000
Estimated residual value of assets under lease and assets held for realization	**540,000**	666,000
Accrued interest	**8,511,000**	11,000,000
	904,656,000	941,238,000
Provision for losses	**21,228,000**	19,856,000
	883,428,000	921,382,000
Cash and short term deposits	**10,421,000**	12,972,000
Fixed assets, at cost less depreciation of $2,599,000 (1984 – $2,375,000)	**1,485,000**	1,376,000
Unamortized debt discount and expense	**1,030,000**	1,400,000
Deferred income taxes	**4,082,000**	—
Other	**8,973,000**	8,713,000
	$909,419,000	945,843,000

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

Approved on behalf of the Board:

.... *Director*

.... *Director*

Liabilities and Shareholders' Equity

	1985	1984
Short term notes (note 4)	**$ 69,026,000**	76,857,000
Accounts payable and accrued liabilities	**566,000**	384,000
Accrued interest payable	**9,007,000**	9,442,000
Income tax payable	**61,000**	445,000
Lease rentals received in advance	**53,000**	67,000
Deferred income taxes	**—**	817,000
Secured notes and non-cancellable term credits (note 4)	**693,395,000**	720,452,000
Debentures (note 5)	**53,894,000**	54,209,000
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 196,800 shares (1984 – 150,000 shares)	**19,680,000**	15,000,000
Retained earnings	**34,237,000**	38,670,000
	$909,419,000	945,843,000

Auditors' Report

To the Directors
RoyNat Inc.

We have examined the consolidated balance sheet of RoyNat Inc. as at April 30, 1985 and the consolidated statement of earnings, retained earnings and changes in finance assets for the year ended April 30, 1985. 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, 1985 and the results of its operations and the changes in its finance assets for the year then ended in accordance with generally accepted accounting principles which, except for the change in the method of determining the provision for losses on financing and leasing assets as discussed in note 1, were applied on a basis consistent with that of the preceding year.

Peat, Marwick, Mitchell & Co.

Chartered Accountants
Montreal, Canada
May 31, 1985

Consolidated Statement of Earnings

Year ended April 30, 1985
with comparative figures for 1984

	1985	1984
Gross revenue from operations	**$118,093,000**	116,127,000
Expenses:		
Interest	**97,650,000**	92,555,000
Discounts, expenses and other debt related costs	**675,000**	684,000
Salaries, pension contributions and staff benefits	**7,052,000**	6,978,000
Premises expenses	**1,723,000**	1,668,000
Provision for losses, less recoveries	**9,486,000**	9,665,000
Other operating expenses	**3,941,000**	3,214,000
	120,527,000	114,764,000
Earnings (losses) before income taxes	**(2,434,000)**	1,363,000
Income tax recovery (note 6)	**5,132,000**	3,695,000
Net earnings for the year	**$ 2,698,000**	5,058,000

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

Consolidated Statement of Retained Earnings

Year ended April 30, 1985
with comparative figures for 1984

	1985	1984
Retained earnings at beginning of year	**$38,670,000**	35,502,000
Net earnings for the year	**2,698,000**	5,058,000
	41,368,000	40,560,000
Dividends paid:		
Preferred shares	**1,411,000**	1,370,000
Common shares	**5,720,000**	520,000
	7,131,000	1,890,000
Retained earnings at end of year	**$34,237,000**	38,670,000

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

Consolidated Statement of Changes in Finance Assets

Year ended April 30, 1985
with comparative figures for 1984

	1985	1984
Net decrease in finance assets:		
Term financing	**$(29,496,000)**	(22,290,000)
Leasing	**(7,086,000)**	(10,981,000)
	(36,582,000)	(33,271,000)
Decrease (increase) in provision for losses	**(1,372,000)**	168,000
	$(37,954,000)	(33,103,000)
The net decrease in finance assets resulted from:		
Net earnings	**$ 2,698,000**	5,058,000
Items charged (credited) to earnings not affecting finance assets:		
Amortization of debt discount and expense	**521,000**	608,000
Depreciation	**405,000**	353,000
Deferred income taxes	**(4,899,000)**	(3,556,000)
Deferred investment tax credits	**—**	(175,000)
	(1,275,000)	2,288,000
Less dividends paid	**(7,131,000)**	(1,890,000)
	(8,406,000)	398,000
Net increase (decrease) in debt:		
Net proceeds from sale of secured notes	**—**	(30,000)
Net increase in short term borrowings including those classified as long term debt (note 4)	**(7,831,000)**	72,328,000
Redemption of secured notes	**(27,057,000)**	(103,581,000)
Redemption of debentures	**(315,000)**	(831,000)
	(35,203,000)	(32,114,000)
Cash received on issue of common shares	**4,680,000**	—
Decrease (increase) in cash and short term deposits	**2,551,000**	(1,592,000)
Other items – net	**(1,576,000)**	205,000
	$(37,954,000)	(33,103,000)

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

April 30, 1985

RoyNat Inc., ("RoyNat") is incorporated under the Canada Business Corporations Act and is in the business of providing term financing to Canadian businesses. RoyNat's subsidiary, RoyNat Guarantee Corporation ("RGC") is licensed to write credit insurance in Canada. RGC has not commenced carrying on business and it is not presently intended to do so.

Basis of presentation:
The accompanying consolidated financial statements include the accounts of RoyNat and its subsidiary and are prepared on the basis of generally accepted accounting principles in Canada and conform in all material respects to International Accounting Standards.

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.

Provision for losses:
Financing and leasing accounts are reviewed by management on a regular basis. Various factors are considered during these reviews, including the viability of the borrowers' operations, payments in arrears and the adequacy of the security supporting the loan. Where a risk of loss is identified, a provision is made, by a charge to expenses, sufficient to reflect the account at management's estimate of realizable value. Upon final liquidation of accounts, the amount receivable is written off against the provision.

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) Change in accounting policy:

In the current year, RoyNat has changed its method of determinig its provision for losses on financing and leasing assets to that described under accounting policies above. In previous years, specific provision was made only in respect of accounts in liquidation or to be placed in liquidation and, in addition, RoyNat maintained a general provision for other possible losses based on historical loss experience.

Under the new basis, in addition to making specific provision for losses on accounts in liquidation or to be placed in liquidation, RoyNat will record a provision on accounts which have encountered financial difficulties and management believe a risk may exist.

The change has been applied on a prospective basis and the effect on net earnings for the year is immaterial.

(2) 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 $288,000,000 of term financing matures during the next twelve months. RoyNat holds preferred and common shares costing $4,000,000 (1984 – $4,500,000), including marketable shares with a cost of $2,900,000 (1984 – $3,000,000) having a market value of approximately $2,600,000 (1984 – $2,700,000).

At April 30, 1985, RoyNat was under contract to provide further financing totalling $59,600,000 and in addition has authorized, subject to acceptance by the applicants, a further $5,000,000.

(3) Leasing:

Of the gross amount receivable under lease contracts totalling $20,000,000 approximately $5,600,000 is receivable in the next twelve months.

(4) Secured notes and non-cancellable term credits:

Secured notes:			
1985	July 1,	10.00%	$ 8,808,000
	August 1	8.50%	4,422,000
	December 15	10.663% *	5,000,000
1986	February 15	12.25%	6,000,000
	July 29	17.00%	26,000,000
	September 15	10.50%	8,762,000
	September 15	11.00%	2,424,000
	December 15	17.25%	40,000,000
1987	January 15	12.25%	10,000,000
	April 15	9.25%	5,000,000
	November 15	9.50%	12,979,000
	December 1	13.00%	20,000,000
1988	February 15	12.50%	24,000,000
	April 13	14.50%	25,000,000
	April 16	10.75% *	20,000,000
1989	April 16	8.625% **	25,000,000
1990	April 16	10.125% **	25,000,000
Total secured notes			268,395,000
Short term notes and bankers' acceptances			425,000,000
			$693,395,000

*The interest rates are adjusted periodically based on certain prescribed rates and at April 30, 1985 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, 1985 such credits amounted to $425,000,000 with $55,000,000, $50,000,000, $15,000,000, $75,000,000, $50,000,000, $15,000,000, $10,000,000, $20,000,000 and $135,000,000 expiring December 15, 1985, May 1, 1986, July 3, 1986, August 1, 1986, September 30, 1986, March 3, 1987, July 31, 1988, October 19, 1988 and September 30, 1989 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 maturities of secured notes and non-cancellable term credits over the next five years are detailed below:

	Maximum Purchase Fund Requirements	Maturities	Total
Year ending April 30, 1986	$56,000	104,230,000	104,286,000
Year ending April 30, 1987	25,000	297,130,000	297,155,000
Year ending April 30, 1988	—	76,954,000	76,954,000
Year ending April 30, 1989	—	55,000,000	55,000,000
Year ending April 30, 1990	—	160,000,000	160,000,000

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, 1986. Substantially all the assets of RoyNat are pledged as security for secured notes.

Interest expense on the above instruments amounted to $82,913,000 (1984 – $79,141,000).

(5) Debentures:

1996 April 15	10.75% (April 15, 1986) *	$22,295,000
1997 September 1	9.625% (September 1, 1987) *	13,108,000
1999 September 14	10.75% (September 14, 1989) *	18,491,000
		$53,894,000

* 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	Maturities	Total
Year ending April 30, 1986	$1,030,000	21,795,000	22,825,000
Year ending April 30, 1987	700,000	—	700,000
Year ending April 30, 1988	400,000	12,666,000	13,066,000
Year ending April 30, 1989	400,000	—	400,000
Year ending April 30, 1990	—	16,903,000	16,903,000

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.

Interest expense on debentures amounted to $5,659,000 (1984 – $5,728,000).

(6) Income taxes:

Income tax recovery is made up as follows:

	1985	1984
Provision for (recovery of) income taxes based on a combined basic federal and provincial income tax rate of 48.5%	**$(1,180,000)**	661,000
Increase (decrease) in taxes resulting from:		
Non-taxable revenue from Small Business Development Bonds	**(3,422,000)**	(3,782,000)
Non-taxable dividends	**(162,000)**	(249,000)
Reversal of prior years' estimates	**(400,000)**	(345,000)
Miscellaneous	**32,000**	20,000
Income tax recovery	**$(5,132,000)**	(3,695,000)

(7) 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:

	1985	1984
Interest on secured notes	**$5,822,000**	5,334,000
Standby fees	**842,000**	844,000
Trustee, transfer agent and registrar fees	**151,000**	73,000
Other interest and charges	**39,000**	66,000

Directors

*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*

Officers

J. D. Thompson
President and Chief Executive Officer

M. Boudreau
Executive Vice-President

L. G. Legrove
Executive Vice-President

W. H. Rimstad, C.A.
Secretary-Treasurer and Chief Financial Officer

L. V. Boileau
Vice-President

J. R. Dick
Vice-President

P. Goulet
Vice-President

N. L. Henri
Vice-President

J. C. Joseph
Vice-President

K. C. Moorse
Vice-President

D. K. Murray
Vice-President

G. Potvin
Vice-President

C. Proulx
Vice-President

E. Sauvé
Vice-President

D. R. Swaine
Vice-President

P. W. Walton
Vice-President

Head Office Departments

Operations

M. Boudreau
Executive Vice-President – Credit

*L. G. Legrove
Executive Vice-President – Marketing

*E. Sauve
Vice-President – Marketing & Product Planning

D. J. McRae
Assistant Vice-President – Insurance

Finance & Accounting

W. H. Rimstad, C.A.
Secretary-Treasurer and Chief Financial Officer

B. Aucoin
Controller

J. Carusone
Manager – Information Systems

K. Soo Hon Wah
Manager – Accounting

G. Menard
Assistant Treasurer

Corporate Services

N. L. Henri
Vice-President

H. R. Prevost
Manager – Premises and Purchasing

Head Office

620 Dorchester Blvd. West
Montreal, Quebec H3B 1P2

*1 First Canadian Place
Toronto, Ontario M5X 1B1

Term Financing and Leasing

As at April 30, 1985

Classification By Industry	Number	%	Amount $('000)	%
Agriculture:	46	1.84	20,206	2.11
Construction:				
General	35	1.40	17,832	1.87
Heavy	36	1.44	11,499	1.20
Special Trades	54	2.16	11,748	1.23
Manufacturing:				
Concrete Products	36	1.44	12,927	1.35
Drugs & Chemicals	20	.80	7,855	.82
Food & Beverages	82	3.28	36,456	3.81
Metal	239	9.55	83,422	8.73
Printing & Publishing	60	2.40	21,902	2.29
Textiles & Clothing	25	1.00	9,332	.98
Wood Industries:				
Furniture & Fixtures	27	1.08	11,959	1.25
Forest Products	50	2.00	28,039	2.93
Mill Works	29	1.16	13,865	1.45
Paper	16	.64	3,710	.39
Miscellaneous	123	4.92	48,741	5.10
Natural Resources:				
Forestry, Fishing	30	1.20	9,626	1.01
Mines, Quarries, Petroleum	54	2.16	38,039	3.98
Trade:				
Retail	366	14.63	98,808	10.34
Wholesale	126	5.04	50,191	5.25
Transportation, Storage:				
Air & Water	23	.92	15,218	1.59
Rail, Truck, Storage	136	5.44	52,927	5.54
Communications:	26	1.04	27,526	2.88
Community, Business & Personal Services:				
Accommodation	234	9.35	149,326	15.62
Food Services	201	8.03	43,781	4.58
Health & Recreation	109	4.36	47,683	4.99
Other Services	319	12.72	83,104	8.71
Totals*	2,502	100.00	955,722	100.00
Geographical Distribution:				
Atlantic Provinces	277	11.07	83,676	8.76
Quebec	587	23.46	259,711	27.17
Ontario	846	33.81	289,178	30.26
Prairie Provinces	376	15.03	160,329	16.78
British Columbia, Yukon, N.W.T.	416	16.63	162,828	17.03
Totals*	2,502	100.00	955,722	100.00

*Includes Outstandings and Commitments

Regions

Atlantic Region
J. R. Dick/Vice-President

Quebec Region
P. Goulet/Vice-President – Marketing
C. Proulx/Vice-President – Credit
G. Potvin/Vice-President – Administration
L. Charron/Assistant Vice-President

Ontario Region
P. W. Walton/Vice-President – Marketing
D. K. Murray/Vice-President – Credit
K. C. Moorse/Vice-President – Administration
E. M. H. Lande/Assistant Vice-President

Western Region
D. R. Swaine/Vice-President – Marketing
L. V. Boileau/Vice-President – Credit
J. C. Joseph/Vice-President – Administration
B. Taylor/Assistant Vice-President

District Offices

Halifax	J. Webster
Moncton	D. A. Atkinson
St. John's	P. A. Saunders
Brossard	R. J. C. Delisle
Drummondville	J. Tessier
Laval	P. C. Ouimet
Montréal Island	H. Plafter
Québec	R. Bernier
Hamilton	P. F. Smith
Kitchener	M. J. Labine
London	P. M. Henrich
Mississauga	B. Hunter
Ottawa	H. Pelletier
Sudbury	N.C. Meunier
Toronto	E. A. Lawson
Windsor	R. N. Fields
Calgary	P. K. Gaudet
Edmonton	D. J. McLauchlin
Prince George	K. Billingsley
Saskatoon	J. K. Lacroix
Vancouver	B. M. McGuire
Victoria	M. B. Gleig
Winnipeg	G. W. Proke