



**Crown Trust**  
Annual Report 1980





# Crown Trust

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On February 24, 1897, The Trusts and Guarantee Company Limited was granted a charter to operate in Ontario. In 1946, the Company acquired Crown Trust Company, with its Head Office in Montreal and a branch office in Toronto. The Company operated under the name of The Crown Trust and Guarantee Company for a year before making the final name change to Crown Trust Company in December 1947.

Today, Crown Trust is a major full-service financial institution serving a wide range of individuals and businesses across Canada. It is through an ongoing attention to efficiency of operations and a continuous search for solid growth opportunities that Crown Trust endeavours to be effective in all areas of operation.

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The 84th Annual Meeting of the Shareholders will be held on Friday, May 15, 1981 at 11:00 a.m. in the Confederation Rooms 4, 5, and 6 at the Royal York Hotel, Toronto.

## Version française

Nous pouvons mettre à votre disposition, sur demande, une copie en français du Rapport annuel 1980 de la Compagnie Crown Trust.

## Head Office

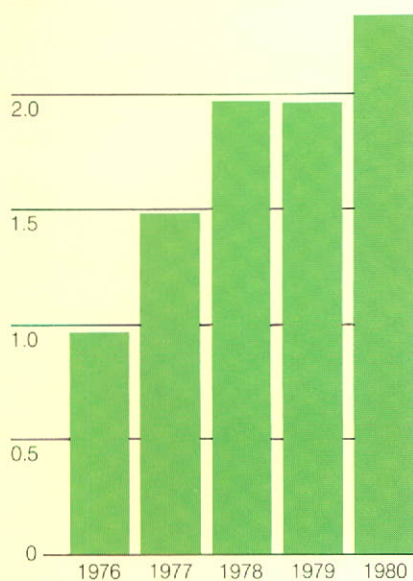
P.O. Box 38, 38th Floor  
1 First Canadian Place,  
M5X 1G4  
(416) 364-4400

## Highlights

For the Year	1980	1979	% Increase
Revenue	\$ 65,666,000	\$ 50,903,000	29.0
Expense	63,602,000	47,892,000	32.8
Net operating income	2,348,000	1,935,000	21.3
Net operating income per common share	2.44	1.88	29.8
Net income	7,523,000	1,672,000	349.9
Net income per common share	9.34	1.53	510.5
Dividends per common share	0.90	0.90	—
<b>At the Year End</b>			
Total assets	566,119,000	420,544,000	34.6
Mortgages	468,304,000	378,612,000	23.7
Common shareholders' equity	19,436,000	13,087,000	48.5
Guaranteed account	535,675,000	397,576,000	34.7
Estates, trusts and agencies	1,233,976,000	940,047,000	31.3
Total assets under administration	1,769,651,000	1,337,623,000	32.3

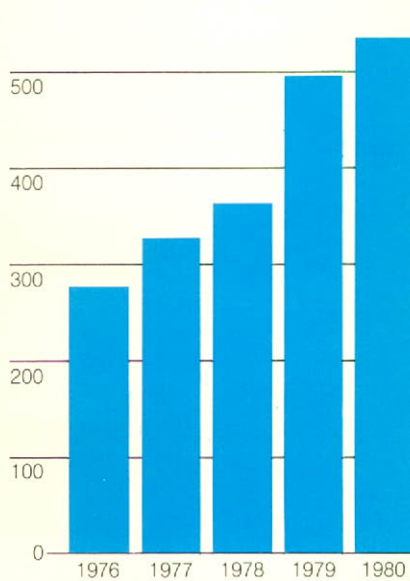
### Net Operating Income

millions \$



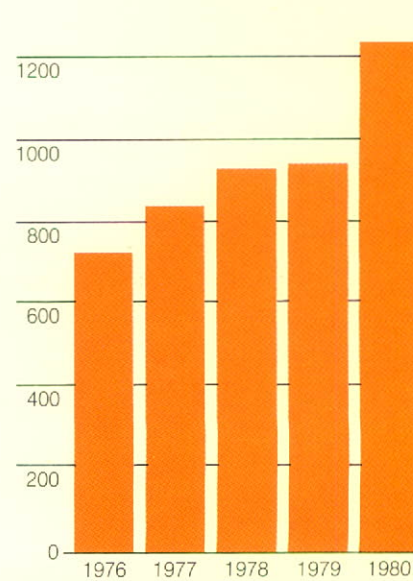
### Guaranteed Account

millions \$



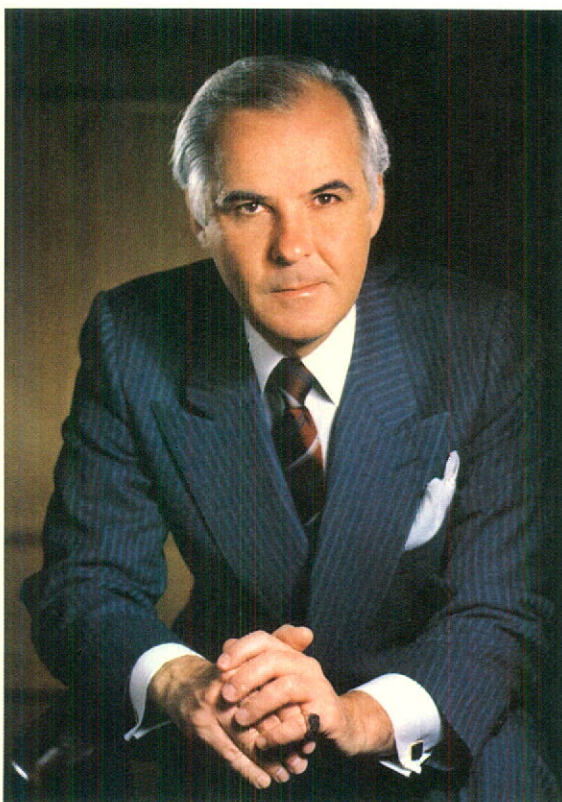
### Estates, Trusts and Agencies

millions \$





## Report to Shareholders



Donald G. Payne  
President and Chief Executive Officer

Net income for Crown Trust in 1980 was \$7,523,000 compared with \$1,672,000 in 1979. On a per share basis earnings this year equal \$9.34 compared with \$1.53 last year. This large increase in earnings was, for the most part, achieved through the sale of real estate holdings on which capital gains of \$4,897,000 were realized.

Net operating income, excluding capital gains, was \$2,348,000 in 1980 compared to \$1,935,000 in 1979. This year's earnings were significantly affected by a major increase in operating costs related to new Head Office facilities and the need to increase staff to provide new services and to broaden the management of the Company.

During the year Crown Trust surpassed the one-half billion dollar mark as total Company assets increased to \$566 million from \$421 million, or 34%. Included in this growth was a significant increase in Guaranteed Account funds. The increase in Guaranteed Account funds occurred steadily during the year and was achieved by developing greater mortgage and deposit-raising facilities.

Assets under administration increased by 32%, to \$1.8 billion. Common shareholders' equity rose to \$19,436,000 from \$13,087,000, or on a per share basis, to \$25.91 from \$17.45.

### **Financial Intermediary Activities**

In 1980 the Canadian economy proved to be a very difficult environment in which to raise and invest deposits profitably. The major challenge for deposit-raising institutions during the year was coping with very volatile interest rates. One measure of the extreme swings in interest rates which the company faced was the bank prime rate which ranged from a low of 12.25% to a high of 18.25%. In spite of this environment, Crown Trust was able to achieve profitable growth in assets in 1980. This was largely the result of placing a much greater emphasis on balance sheet and spread management, particularly improving the matching of asset and liability terms.

Total deposits in Guaranteed Investment Certificates and savings accounts increased to \$536 million from \$398 million, a gain of 35%. Money Market Certificates, a new product, accounted for almost half of this growth. These certificates were introduced in 1980 with the establishment of a professional money market operation.

Mortgages were the major investment vehicle for deposits raised in 1980. During

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this period the Company's mortgage capability was significantly improved with the addition of a number of highly qualified mortgage personnel across the country. Quality mortgage investments were found despite a soft market and the mortgage portfolio increased to \$468 million from \$379 million, an increase of 23%. A much improved mortgage capability not only allowed the achievement of good growth but also the diversification of mortgage holdings across different categories, such as residential, industrial and commercial.

As well as having substantial growth in both deposits and investments, the profitability of these activities improved considerably. The average rate paid on new deposits was 12.87% compared to the average rate earned on new investments of 15.36%. This represents a spread of 2.49% between the cost of deposits and the yield on investments. The overall result was a significant improvement in the spread on all outstanding deposits and investments.

#### **Fee Income Activities**

Total fee and commission revenues amounted to \$9.3 million, an increase of 9.7%. All major areas contributed to this increase in fee income. In the Corporate Trust and Stock Transfer business the high level of activity in the Canadian security markets, which resulted in new issues and high securities turnover, added to the increases in these areas. In the Personal and Pension Trust areas, an increase in the number of accounts and growth in the size of accounts contributed to the larger fee income.

Mortgage banking became a new activity of the Company in 1980. During the year under review \$11 million of mortgages were sold or committed to other financial institutions and pension funds.

#### **Corporate Developments**

During the latter part of the year, the Company purchased 20% of Bancorp Mortgage Investment Corporation, a Vancouver-based operation providing mortgage investment services, primarily in western Canada.

In addition, Crown Trust and certain related companies acquired 18% and 33% interests respectively in a U.S. holding corporation, whose principal asset is a wholly-owned subsidiary, Aristar, Inc. Aristar is a major Florida-based concern with consumer lending and insurance operations.

We are confident that these new investments will have a positive impact on future earnings.

#### **Directors and Officers**

Regretfully, we record the passing of Mr. Igor Kaplan, Q.C., in November 1980. Mr. Kaplan joined the Board of Directors in 1979, and quickly became a valuable member of the Board. His counsel and advice were deeply appreciated.

We wish to express our gratitude to those Directors who left the Board during the year for their significant contributions to the direction of Crown Trust.

We welcome as a new Director, Mr. John S. Elder, a senior partner of the law firm of Fraser & Beatty.

In December, Mr. J. B. Whitely resigned as President and Chief Executive Officer; however, he has agreed to remain a Director of the Company. We are pleased to report that the search for a new President has been successful and a senior member of Canada's financial community has been hired to replace Mr. Whitely. This individual, who will be introduced to the shareholders

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in the first quarterly report in 1981, is expected to join the Company in June.

In the interim, Mr. Donald G. Payne is acting as President and Chief Executive Officer. During 1980, Mr. Payne was elected to the Board and the Executive Committee as well as to the Toronto Advisory Board. He brings many years of experience in the financial industry, coming to Crown Trust from a senior executive position in one of Canada's largest financial institutions.

Consistent with Crown Trust's aim of continuing to build on an already high level of management quality, two other executive changes were made. In September, Mrs. Donna C. Cappon, LL.B., was appointed Vice-President, Personal Trust Services. Mrs. Cappon has demonstrated her strength in this area as an executive of the Company for a number of years.

In February of this year, Mr. George A. Lyn, C.A. joined the Company as Vice-President, Finance and Administration. Mr. Lyn has had many years of experience in corporate finance and prior to joining Crown Trust was the chief financial officer of another major Canadian company.

#### **1981 Outlook**

The Canadian economic outlook for 1981 is a continuation of the sluggish growth experienced during the past year. The major constraint continues to be the tight monetary policies imposed by the monetary authorities in both Canada and the United States, which has resulted in record high interest rates. Despite these restraining

forces on economic growth, it is expected that inflation will continue at a relatively high level over the foreseeable future. This environment will do very little to alleviate competitive pressures on raising deposits that have been experienced over the last several years. Also, it is not conducive to growth in the mortgage and housing markets.

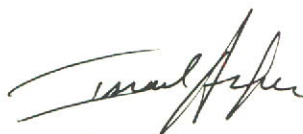
In the financial intermediary business of raising and investing deposits profitably, we plan to continue our aggressive and competitive stance. We expect to show a significant increase in profitability in financial intermediary operations by increasing the number of deposit products, accessing more diverse sources of funds, and better utilizing the greater investment capability we now have.

Over the past year, the mortgage and investment areas of the Company have received a great deal of attention. It is expected that these areas will make a major contribution to growth in 1981 through mortgage banking and investment management activities.

A major emphasis is now being placed on reducing the growth of operating expense in all areas of the Company, including the closing of unprofitable branches. This is expected to have a significant impact on earnings in 1981.

Our achievements in the past year have been due in no small measure to the dedication and expertise of the officers and members of our staff. We wish to take this opportunity to express our appreciation for their splendid efforts.

March 31, 1981



I. H. Asper, Q.C.  
Chairman of the Board



Donald G. Payne  
President & Chief Executive Officer



**Crown Trust Company  
Consolidated  
Financial Statements  
1980**



## Consolidated Balance Sheet

December 31, 1980  
with comparative figures for 1979

<b>Assets</b>	<b>1980</b>	<b>1979</b>
Cash and short term investments	<b>\$ 45,404,000</b>	\$ 9,975,000
Securities (note 2):		
Bonds	<b>19,535,000</b>	15,907,000
Stocks	<b>21,658,000</b>	9,606,000
	<b>41,193,000</b>	25,513,000
Loans and advances:		
Mortgages	<b>468,304,000</b>	378,612,000
Loans on collateral security	<b>1,783,000</b>	1,943,000
Advances to estates, trusts and agencies	<b>1,025,000</b>	550,000
	<b>471,112,000</b>	381,105,000
Real estate held for resale at net realizable value	<b>335,000</b>	148,000
Other assets	<b>1,693,000</b>	748,000
Premises, equipment and leasehold improvements (note 4)	<b>3,228,000</b>	3,055,000
Investment in affiliated company (note 3)	<b>3,154,000</b>	—
	<b>\$566,119,000</b>	\$420,544,000

See accompanying notes to consolidated financial statements.



Liabilities and Shareholders' Equity	1980	1979
Guaranteed account (note 5):		
Demand deposits	<b>\$ 83,146,000</b>	\$ 77,511,000
Short term deposits	<b>63,611,000</b>	—
Guaranteed investment certificates	<b>388,918,000</b>	320,065,000
	<b>535,675,000</b>	397,576,000
Dividends payable	<b>295,000</b>	300,000
Other liabilities	<b>1,042,000</b>	583,000
Deferred income taxes	<b>3,931,000</b>	3,020,000
	<b>5,268,000</b>	3,903,000
Shareholders' equity:		
Capital stock (note 6):		
Preference shares	<b>5,740,000</b>	5,978,000
Common shares	<b>1,500,000</b>	1,500,000
Contributed surplus (note 6)	<b>16,000</b>	—
Retained earnings	<b>17,920,000</b>	11,587,000
	<b>25,176,000</b>	19,065,000
Commitments and contingencies (notes 9, 10 and 11)		
	<b>\$566,119,000</b>	\$420,544,000

On behalf of the Board:

Gerald W. Schwartz, Director

Donald G. Payne, Director



## Consolidated Statement of Income

Year ended December 31, 1980  
with comparative figures for 1979

	1980	1979
Revenue:		
Interest from mortgages and other loans	<b>\$47,297,000</b>	\$38,203,000
Interest from investments	<b>6,398,000</b>	3,324,000
Dividends	<b>1,578,000</b>	861,000
Fees and commissions	<b>9,339,000</b>	8,515,000
Equity in earnings of affiliated company (note 3)	<b>1,054,000</b>	—
	<b>65,666,000</b>	50,903,000
Expense:		
Interest on deposits and certificates	<b>47,969,000</b>	36,038,000
Operating expense:		
Salaries and staff benefits	<b>8,957,000</b>	6,966,000
Premises	<b>2,532,000</b>	1,706,000
Other	<b>4,144,000</b>	3,182,000
	<b>15,633,000</b>	11,854,000
	<b>63,602,000</b>	47,892,000
Operating income before income taxes	<b>2,064,000</b>	3,011,000
Income taxes (recovery):		
Current	<b>(1,220,000)</b>	765,000
Deferred	<b>936,000</b>	311,000
	<b>(284,000)</b>	1,076,000
Net operating income	<b>2,348,000</b>	1,935,000
Net gains (losses) on disposals of investments (note 7)	<b>5,175,000</b>	(263,000)
Net income	<b>\$ 7,523,000</b>	\$ 1,672,000
Earnings per common share:		
Net operating income	<b>\$2.44</b>	\$1.88
Net income	<b>\$9.34</b>	\$1.53

See accompanying notes to consolidated financial statements.

## Consolidated Statement of Retained Earnings

Year ended December 31, 1980  
with comparative figures for 1979

	1980	1979
Balance at beginning of year	<b>\$11,587,000</b>	\$11,115,000
Net income	<b>7,523,000</b>	1,672,000
	<b>19,110,000</b>	12,787,000
Dividends—on preference shares	<b>515,000</b>	525,000
—on common shares	<b>675,000</b>	675,000
	<b>1,190,000</b>	1,200,000
Balance at end of year	<b>\$17,920,000</b>	\$11,587,000

See accompanying notes to consolidated financial statements.

## Auditors' Report to the Shareholders

We have examined the consolidated balance sheet of Crown Trust Company as at December 31, 1980 and the consolidated statements of income, retained earnings and changes in financial position 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.

Toronto, Canada  
January 30, 1981

In our opinion, these consolidated financial statements present fairly the financial position of the Company as at December 31, 1980 and the results of its operations and the changes in its financial position 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



## Consolidated Statement of Changes in Financial Position

Year ended December 31, 1980  
with comparative figures for 1979

	1980	1979
Funds provided by:		
Increases in:		
Demand deposits	\$ 5,635,000	\$ —
Short term deposits	63,611,000	—
Guaranteed investment certificates	68,853,000	38,766,000
Decreases in loans on collateral security	160,000	876,000
Proceeds from disposal of premises and common shares of partially-owned companies	7,536,000	—
Operations (before deferred income taxes, depreciation, other non-cash items, gains on disposal of premises and partially-owned companies and equity in earnings of affiliate)	2,384,000	2,292,000
	<b>148,179,000</b>	41,934,000
Funds applied to:		
Increases in:		
Bonds	4,103,000	170,000
Stocks	12,246,000	1,086,000
Mortgages	89,776,000	42,119,000
Real estate held for resale	187,000	—
Decrease in demand deposits	—	5,396,000
Investment in affiliated company	2,100,000	—
Dividends paid	1,190,000	1,162,000
Additions to premises, equipment and leasehold improvements	1,960,000	886,000
Preference shares purchased for cancellation	222,000	22,000
Other	966,000	216,000
	<b>112,750,000</b>	51,057,000
Increase (decrease) in cash and short term investments	<b>\$ 35,429,000</b>	\$ (9,123,000)

See accompanying notes to consolidated financial statements.

# Notes to Consolidated Financial Statements

December 31, 1980

1. Summary of significant accounting policies:

The consolidated financial statements have been prepared in accordance with generally accepted accounting principles. Accounting policies of particular significance are set out below:

(a) Basis of consolidation:

The consolidated financial statements include the accounts of the Company and its subsidiaries, all of which are wholly-owned. The investment in shares of an 18% owned affiliated company is accounted for by the equity method (see note 3).

(b) Securities and mortgage loans:

Bonds and mortgages are stated at amortized cost with premiums and discounts amortized over the term to maturity. Stocks are stated at cost. Gains and losses are recorded only upon sale of securities and mortgages except where there is a decline in value which is other than temporary, at which time a provision is made.

(c) Premises, equipment and leasehold improvements:

Premises, equipment and leasehold improvements are stated at cost less accumulated depreciation and amortization. Depreciation is provided on the declining balance method at the following annual rates:

Buildings	5%
Equipment	10% to 30%

Leasehold improvements are being amortized on the straight-line basis primarily over the terms of the respective leases.

(d) Income taxes:

The Company follows the tax allocation method of accounting for income taxes under which method deferred income taxes are recorded for timing differences between reported and currently taxable income.

(e) Recognition of revenue and expense:

All revenue and expense is recorded on the accrual basis with the exception of certain estate and trust fees which are included in revenue only upon final approval by the beneficiaries or the courts.

(f) Comparative figures:

The comparative figures for 1979 have been reclassified to

conform with the financial statement presentation followed in 1980.

	1980		1979	
	Cost	Market	Cost	Market
2. Securities:				
Bonds:				
Government of Canada and provincial	\$16,027,000	15,467,000	12,551,000	11,958,000
Other	3,508,000	3,109,000	3,356,000	3,013,000
	<u>19,535,000</u>	<u>18,576,000</u>	<u>15,907,000</u>	<u>14,971,000</u>
Stocks	<u>21,658,000</u>	<u>20,637,000</u>	<u>9,606,000</u>	<u>9,718,000</u>
	<u>\$41,193,000</u>	<u>39,213,000</u>	<u>25,513,000</u>	<u>24,689,000</u>

3. Investment in affiliated company:

Effective July 31, 1980, the Company and certain related parties acquired 18% and 33% interests respectively in the common shares of a U.S. domiciled holding corporation whose principal asset is a wholly-owned subsidiary, Aristar, Inc. The Company's interest was acquired for a cash consideration of \$2,100,000 (U.S. \$1,800,000).

At December 31, 1980, the Company's investment in the common shares of the affiliated company consisted of the following:

Common shares (U.S. \$1,800,000)	\$2,100,000
Equity in earnings since acquisition	<u>1,054,000</u>
	<u>\$3,154,000</u>

4. Premises, equipment and leasehold improvements:

	1980	1979
Land and buildings	\$ —	2,566,000
Equipment and leaseholds	4,731,000	2,764,000
	<u>4,731,000</u>	<u>5,330,000</u>
Less accumulated depreciation and amortization	<u>1,503,000</u>	<u>2,275,000</u>
	<u>\$3,228,000</u>	<u>3,055,000</u>

Depreciation and amortization included in operating expense amounted to \$392,000 (1979—\$309,000).

# Notes to Consolidated Financial Statements

December 31, 1980

5. Assets held for guaranteed account:

	<u>1980</u>	<u>1979</u>
Cash and short term investments	\$ 39,271,000	5,476,000
Securities	26,624,000	11,861,000
Mortgages	468,304,000	378,612,000
Other loans	1,476,000	1,627,000
	<u>\$535,675,000</u>	<u>397,576,000</u>

6. Capital stock and contributed surplus:

Authorized:

987,005 preference shares of the par value of \$20 each, issuable in series

2,500,000 common shares of the par value of \$2 each

Issued and fully paid:

	<u>1980</u>	<u>1979</u>
287,005 8¾% cumulative redeemable preference shares, series A (1979—298,900)	\$5,740,000	5,978,000
750,000 common shares	1,500,000	1,500,000
	<u>\$7,240,000</u>	<u>7,478,000</u>

Preference shares, series A:

Subject to the provisions of the Loan and Trust Corporations Act (Ontario), the preference shares, series A, may be redeemed or purchased for cancellation as follows:

(i) Redemption:

With the prior consent of all holders, the shares may be redeemed prior to July 1, 1982 at a price of \$21.75 per share. On and after that date the shares may be redeemed, in whole or in part, at a price of \$21.25 per share reducing to par after June 30, 1987.

(ii) Purchase for cancellation:

The shares may be purchased for cancellation if and to the extent available in the open market or by invitation for

tenders at a price not exceeding the price at which at the date of purchase such shares are redeemable.

(iii) Purchase obligation:

During each calendar quarter the Company is obliged to purchase for cancellation 3,000 shares in the open market if and to the extent available at a price not exceeding \$20 per share. If after all reasonable efforts the Company is unable to purchase an aggregate of 12,000 shares in the four quarters of any calendar year, the Company's obligation to purchase shares with respect to such calendar year will be extinguished. The Company satisfied this obligation by purchasing the following shares for cancellation:

	<u>1980</u>	<u>1979</u>
Number of shares	11,895	1,100
Average price per share	\$18.65	19.82

The excess of the issue price of such shares over the Company's cost of their purchase for cancellation amounted to \$16,000 and has been credited to contributed surplus.

7. Net gains (losses) on disposal of investments:

	<u>1980</u>	<u>1979</u>
Gain (loss) on disposal of:		
Marketable securities	\$ 377,000	(593,000)
Common shares of partially-owned companies	4,965,000	—
Head office premises	524,000	—
Other	(17,000)	—
	<u>5,849,000</u>	<u>(593,000)</u>
Less related income taxes (recovery):		
Current	699,000	(330,000)
Deferred	(25,000)	—
	<u>674,000</u>	<u>(330,000)</u>
	<u>\$5,175,000</u>	<u>(263,000)</u>

# Notes to Consolidated Financial Statements

December 31, 1980

8. Related party transactions:

During 1980, the Company acquired certain mortgages from a related party at a fair value of approximately \$16 million.

Reference is made in note 3 to an additional related party transaction.

9. Pension plan:

At December 31, 1980 the past service liability under the employees' pension plan is estimated at approximately \$560,000 and is being funded over the next seven years.

10. Contingent liability:

Legal actions were taken against the Company in previous years in connection with the administration of a property in Quebec. On November 17, 1978, judgment was rendered by the Quebec Superior Court holding the Company free of any liability in connection with these actions. This judgment has been appealed to the Quebec Court of Appeal by the plaintiffs in the actions. The potential liability to the Company in the event of an adverse judgment could be approximately \$920,000 (\$479,000 after income taxes) at December 31, 1980. The Company is defending these appeals and, having regard to opinion of counsel, has made adequate provision in its accounts in this regard.

11. Commitments:

The Company leases certain premises under operating lease agreements covering various periods extending to 2004. Aggregate minimum future rentals under these leases amount to \$23,473,000 of which the following amounts are payable in each of the five years commencing January 1, 1981:

1981	\$1,521,000
1982	1,489,000
1983	1,457,000
1984	1,410,000
1985	1,307,000

In addition to the minimum lease payments, the Company is also committed to bear certain additional variable costs under each lease.

12. Segmented information:

The Company conducts its operations in the following areas of activity:

- (i) Intermediary, being the investment of funds received from depositors and shareholders in income producing assets such as securities, investment in affiliated companies, mortgages and other loans.
- (ii) Fiduciary, being the administration and investment management of estate, personal, corporate and pension trust assets as well as acting as transfer agent and bond trustee for corporate clients.
- (iii) Other, including acting as agent in the purchase and sale of real estate.

	<u>Intermediary</u>	<u>Fiduciary</u>	<u>Other</u>	<u>Total</u>
Revenue	\$56,613,000	8,686,000	367,000	65,666,000
Operating income before unallocated expenses and income taxes	<u>3,600,000</u>	<u>1,767,000</u>	<u>107,000</u>	5,474,000
Unallocated expenses				3,410,000
Income taxes				<u>(284,000)</u>
Net operating income				2,348,000
Net gains on disposals of investments				<u>5,175,000</u>
Net income				<u>\$ 7,523,000</u>

Substantially all of the assets of the Company are utilized in the Intermediary activity.

## Five Year Financial Review

	1980	1979	1978	1977	1976
<b>Position at year-end</b>					
Company assets:					
Cash and deposits	\$ 45,404,000	\$ 9,975,000	\$ 14,759,000	\$ 5,098,000	\$ 10,877,000
Securities	41,193,000	25,513,000	24,256,000	25,455,000	14,693,000
Mortgages	468,304,000	378,612,000	336,493,000	303,788,000	257,417,000
Other	11,218,000	6,444,000	10,774,000	12,290,000	8,905,000
<b>Total Company assets</b>	<b>566,119,000</b>	420,544,000	386,282,000	346,631,000	291,892,000
Liabilities:					
Demand and short-term deposits	146,757,000	77,511,000	45,999,000	42,228,000	38,495,000
Guaranteed investment certificates	388,918,000	320,065,000	318,206,000	283,673,000	239,527,000
<b>Total Guaranteed Account</b>	<b>535,675,000</b>	397,576,000	364,206,000	325,901,000	278,022,000
Other liabilities	5,268,000	3,903,000	3,461,000	3,051,000	2,682,000
Capitalization:					
Preference shares	5,740,000	5,978,000	6,000,000	6,000,000	—
Common shares	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Contributed Surplus	16,000	—	—	—	—
Retained earnings	17,920,000	11,587,000	11,115,000	10,179,000	9,688,000
<b>Total capitalization</b>	<b>25,176,000</b>	19,065,000	18,615,000	17,679,000	11,188,000
<b>Total liabilities &amp; capitalization</b>	<b>566,119,000</b>	420,544,000	386,282,000	346,631,000	291,892,000
Estate, trust and agency assets	1,233,976,000	940,047,000	930,085,000	838,301,000	725,992,000
<b>Total assets under administration</b>	<b>1,769,651,000</b>	1,337,623,000	1,294,291,000	1,164,202,000	1,004,014,000
<b>Results for the year</b>					
Income:					
Investment income	\$ 55,273,000	\$ 42,388,000	\$ 37,859,000	\$ 33,214,000	\$ 26,136,000
Other	10,393,000	8,515,000	7,174,000	6,607,000	6,452,000
<b>Total income</b>	<b>65,666,000</b>	50,903,000	45,033,000	39,821,000	32,588,000
Expense:					
Interest	47,969,000	36,038,000	30,653,000	27,048,000	21,752,000
Operating	15,633,000	11,854,000	11,204,000	10,316,000	9,078,000
<b>Total expense</b>	<b>63,602,000</b>	47,892,000	41,857,000	37,364,000	30,830,000
Operating income before income taxes	2,064,000	3,011,000	3,176,000	2,457,000	1,758,000
Income taxes	(284,000)	1,076,000	1,238,000	993,000	792,000
<b>Net operating Income</b>	<b>2,348,000</b>	1,935,000	1,938,000	1,464,000	965,000
Other net gains (losses)	5,175,000	(263,000)	47,000	121,000	63,000
<b>Net Income</b>	<b>7,523,000</b>	1,672,000	1,985,000	1,585,000	1,028,000
Earnings per common share:					
Net operating income	\$2.44	\$1.88	\$1.88	\$1.47	\$1.29
Net income	9.34	1.53	1.95	1.63	1.37
Return on average common equity	43.1%	8.9%	12.0%	10.7%	9.4%
Return on average assets	1.52%	0.41%	0.54%	0.49%	0.39%
Book value per common share	\$25.91	\$17.45	\$16.82	\$15.57	\$14.92



## Board of Directors

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Executive Vice-President  
William Ritchie

Assistant Vice-Presidents  
Hartley F. Catania  
Investments

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Personal Trust Services

Gregory P. Edwards, C.F.A.  
Investments

R. Hugh Dunlop  
General Counsel

John D. Fergusson, C.A.  
Tax Services

G. Wilfred Fern  
Western Region

Eric A. T. Innes  
Investments

Anthony M. Kay  
Quebec Region

Alan S. King  
Stock Transfer Services

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Finance and Administration

Robert H. March  
Investments

David S. Oxley  
Investments

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Mortgages

William J. Robinson  
London, Ontario

Donald S. Smith  
Pension Trust Services

Murray S. Ross  
Mortgages

### Comptroller

Gerald R. Dick, C.A.

\*Member of the Executive Committee

†Member of the Audit Committee

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### Toronto

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T. Stewart Ripley  
William D. Robb  
W. Ralph Salter, Q.C.  
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Brigadier F. C. Wallace,  
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Chairman  
C. Maurice Armstrong  
William E. Duffield  
Alexander R. McIntosh  
Peter G. White

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William J. Fuller  
Andre Monast, Q.C.  
William L. S. O'Brien  
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John Tatam

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W. Scott Neal  
Alexander M. Runciman  
Gerald W. Schwartz  
Frederick W. Sellers  
Harold Thompson, F.S.A.  
Arni C. Thorsteinson, C.F.A.

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J. Wallace Madill  
Ross F. Phillips, F.C.A.  
Ralph T. Scurfield  
Daryl K. Seaman

### British Columbia

James P. Anglin, Chairman  
J. Norman Hyland  
George B. McKeen  
F. David Radler  
Harold Zlotnik

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## Office Directory

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### Toronto

Head Office  
P.O. Box 38, 38th Floor  
1 First Canadian Place,  
M5X 1G4  
(416) 364-4400

Savings Office  
Street Level  
1 First Canadian Place  
(416) 364-4400  
Douglas E. Dees, Manager

### London

200 Queens Avenue,  
N6A 1J4  
(519) 433-5301  
William J. Robinson,  
Vice-President

### Brantford

112 Dalhousie Street  
Mailing Address  
P.O. Box 787, N3T 5R7  
(519) 752-4393  
Glen L. Breen, Manager

### Windsor

100 University Ave. W.,  
N9A 5N9  
(519) 258-2953  
Robert A. Stuart, Manager

### Montreal

Crown Trust Tower  
1130 Sherbrooke St. W.,  
H3A 2M9  
(514) 842-8362  
John K. Wilson, Manager

4825 Sherbrooke Street West  
Westmount H3Z 1G6  
(514) 842-8366  
Harold R. Smith, Manager

90 Morgan Road  
Baie d'Urfe Shopping Centre  
Baie d'Urfe H9X 3A8  
(514) 457-6744  
Isobel McDermid, Manager  
Real Estate Sales

### Winnipeg

211 Portage Avenue,  
R3B 2A2  
(204) 943-3556  
Gordon Boomer, Manager

### Calgary

401 Eighth Avenue, S.W.,  
T2P 1E4  
(403) 262-5511  
G. Wilfred Fern, Vice-President

### Edmonton

9892 Jasper Avenue,  
T5J 1P1  
(403) 428-9565

### Vancouver

750 West Pender Street,  
V6C 2B2  
(604) 684-2581  
J. Russel Abraham, Manager

### Victoria

1306 Douglas Street,  
V8W 2E8  
(604) 383-3711  
John D. Jameson, Manager

# As a full-service Trust Company we provide

## **Deposit Services**

Savings and Chequing Accounts  
Guaranteed Investment Certificates  
(1 to 5 years)  
Short-term Guaranteed Investment Certificates  
(30 to 364 days)  
Registered Retirement Savings Plans  
Registered Home Ownership Savings Plans

## **Investment Management Services**

Corporate Pension Plans, Segregated and  
Pooled Funds  
Individual Portfolios  
Money Market Funds

## **Personal Trust Services**

Estate Planning  
Executors and Trustees  
Agent for Private Executors  
Custodian of Securities  
Administrator  
Committee or Curator  
Preparation of Personal Income Tax Returns

## **Corporate Trust and Stock Transfer Services**

Transfer Agent and Registrar for issues of stock  
Dividend and Redemption Paying Agent  
Escrow Agent  
Agent under Stock Option Plans  
Dividend Reinvestment Plans  
Scrutineers for Shareholders' Meetings  
Depository on Offers for Securities  
Trustee for Bond/Debenture Issues  
Trustee under Voting Trusts  
Interest and Redemption Paying Agent  
Custodian of Assets  
Trustee for Royalty Trusts  
Nominee Purchaser of Assets

## **Mortgage Lending Services**

Residential Mortgage Loans  
Commercial and Industrial Mortgage Loans  
Mortgage Banking Operations

## **Additional Services**

Real Estate Agent  
Travellers Cheques  
Safekeeping Facilities



Member:  
The Trust Companies Association of Canada

Member:  
Canada Deposit Insurance Corporation  
Quebec Deposit Insurance Board



Crown Trust