Montreal Trust

93rd Annual Report 1982

Si vous préférez recevoir ce rapport en français, veuillez vous adresser au secrétaire, Montréal Trust.

Cover and above: Victoria, B.C. branch located at 747 Fort Street.

93rd Annual Report 1982

M O N T R E A L   T R U S T

Highlights

	1982	1981
Revenue	$ 274,679,000	$ 252,329,000
Net operating income	6,704,000	5,515,000
Per share	0.74	0.61
Net income	5,383,000	6,812,000
Per share	0.59	0.75
Dividends	0.37	0.36
Company and guaranteed assets	1,660,799,000	1,375,483,000
Assets under administration	16,132,000,000	14,417,000,000
Total	17,792,799,000	15,792,483,000
Shareholders' equity	69,861,000	67,754,000

HOWARD ROSS LIBRARY
OF MANAGEMENT
APR 11 1983
McGILL UNIVERSITY

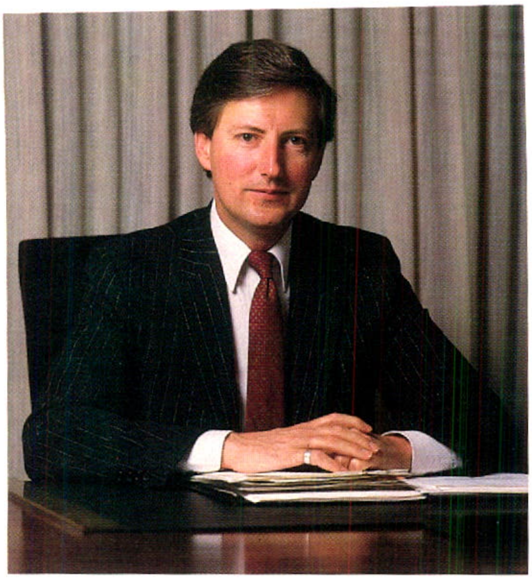
ANNUAL MEETING
Thursday, April 7, 1983 11:00 A.M.
Le Château Champlain
Place du Canada
Montreal, Quebec

MONTREAL TRUST
1 Place Ville Marie
Montreal, Quebec H3B 4A8

Montreal Trust

Directors' Report to Shareholders

M O N T R E A L   T R U S T

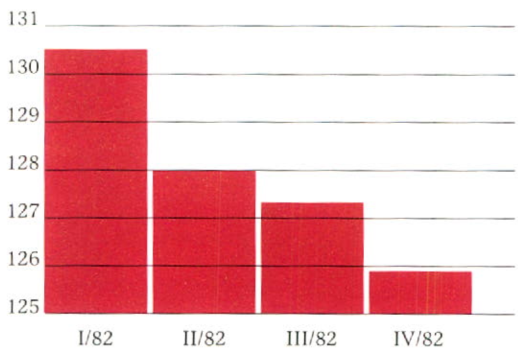


Robert Gratton

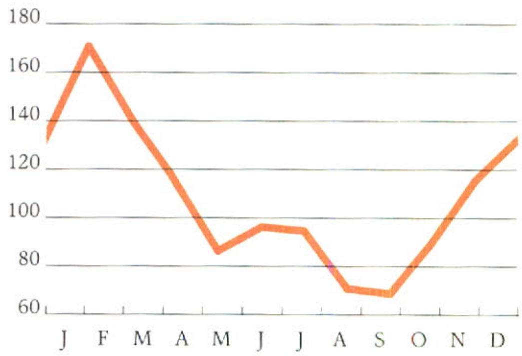
Canada's economy experienced major difficulties and strains in 1982 as the recessionary forces which appeared during the first half of 1980, and reappeared in mid 1981, deepened and became even more pervasive. The approximate 7.5% decline in real output during this extended recession is the most severe cyclical correction experienced since the Great Depression of the 1930's and has left few sectors untouched. In the corporate sector, financial stress, linked principally to the sharp rise in borrowing costs in 1981 and into the first half of 1982, together with steadily shrinking operating levels resulted in serious profit declines in the majority of Canadian industries and an alarming increase in the number of business failures. In human terms a more chilling statistic is an unprecedented drop in total employment of almost 600,000 persons and an unemployment level reaching 12.8% of the labour force in December, a post-Depression high.

Of particular significance to participants in mortgage and real estate markets generally was the sharp contraction in commercial and residential construction activity in a high interest rate environment. Only in the latter part of the year were there indications of a revival, but for all of 1982 housing starts slumped 30% to 125,000 units. In terms of total outlays adjusted for inflation, the decline in 1982 amounted to about 25% for housing and 12% for non-residential construction. These conditions were accordingly reflected in widespread softness in real estate values and in a contraction in sales volume.

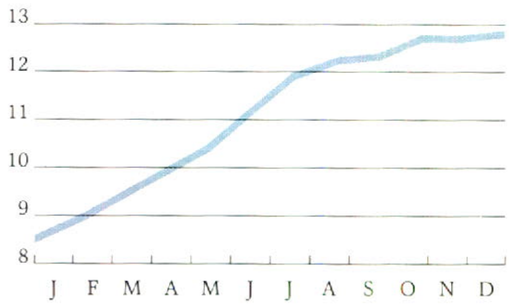
Gross National Product (in billions constant $1971)
(seasonally adjusted)



Housing Starts (in thousands)
(seasonally adjusted)



Unemployment Rate (%)
(seasonally adjusted)

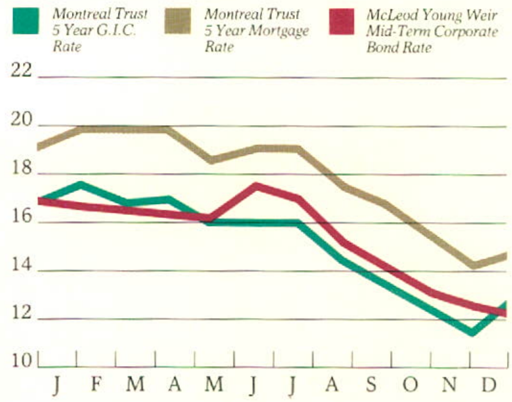


There are marked differences between the 1981-82 economic downturn and previous cyclical corrections, a fact which will have a crucial bearing on the relative strength and shape of the imminent recovery. Canada, as well as other nations, is in the midst of a period of far-reaching structural change with all its attendant dislocations. The sweeping adjustments in economic structures and in the relationship between labour and physical capital have been prompted by the successive energy price shocks of the 1970's and fed by the technological revolution in electronics. Indeed, the process in only beginning and extensive transformations are in store in the years ahead.

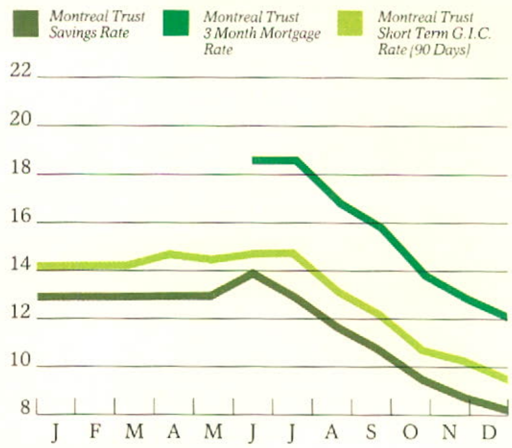
In contrast to 1982, the economic climate ahead is not likely to be faced with distress-level interest rates and a collapse in equity values, factors which had severe effects on the pace of activity last year. In fact, financial markets experienced a dramatic turnaround at mid-year, sparked, in large measure, by the reversal in the United States. Using the chartered banks' prime lending rate as a barometer, the ascent through the early months of the year to reach 18.25% in June subsequently gave way to a declining pattern to the year-end level of 12.50%, the lowest rate in over two years. While the U.S. influence played a leading role, the reversal in the rate trend has become increasingly justified by moderating inflation in Canada as well as the supply/demand function for funds in the private sector in the midst of economic decline.

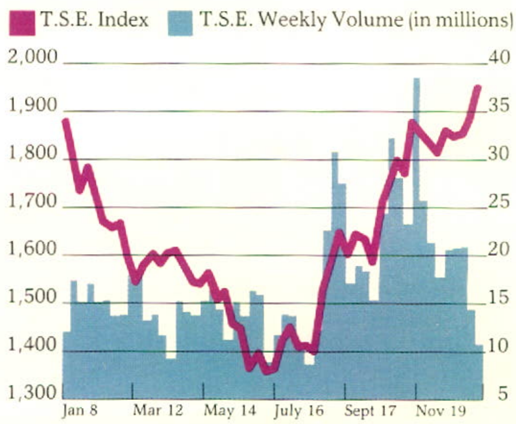
More or less coincident with the change in direction in interest rates, a rally in the Canadian stock market got under way and was sustained with only minor corrections through to the end of the year. In fact, the Toronto Stock Exchange 300 Composite Index traced almost a perfect "V" in 1982, tumbling by 31% during the first half of the year and then fully recovering the absolute loss through the last six months to close just under the 2000 level. The reversal from an atmosphere of despair and pessimism over economic prospects and financial chaos in the business community owed much to relief from high interest

Long Term Interest Rates (Month-End)

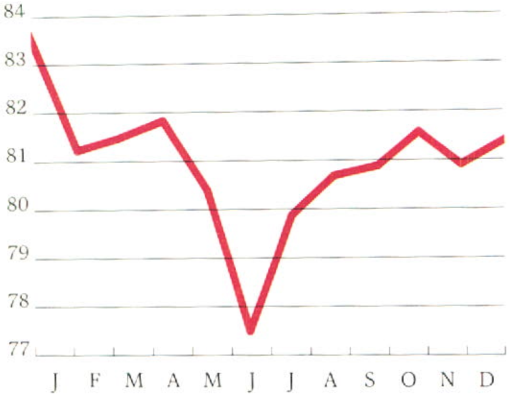


Short Term Interest Rates (Month-End)





Canadian Dollar (¢ U.S.)



rates and cost pressures which, in turn, afforded expanded leverage for earnings growth. Once again, the backdrop of improving expectations and performance in the U.S. market provided support for the turnaround in Canada.

As for the value of the Canadian dollar, the pattern of change in 1982 followed closely that for interest rates and the stock market. The steep erosion in the value of our currency (primarily in relation to the U.S. dollar) from a level around 84¢ U.S. at the outset of the year was finally arrested around mid-year but not before reaching a post-Depression low of slightly under 77¢ U.S. The subsequent recovery path back up to the 80¢-82¢ U.S. range has been supported by a favourable balance of payments performance, attractive interest rate spreads vis-à-vis the United States and a somewhat less aggressive attitude on economic nationalism on the part of the Federal Government.

During 1982 the performance of virtually all of our service areas was affected by the economic and financial adjustments outlined above. Real estate sales, in particular, fell well below our internal objectives as did mortgage production, while various of our other service areas continued to fare in an acceptable manner despite the difficult circumstances which prevailed. In the latter category are included Pension Services, Personal Trust and Fund Services, all areas having a fee structure wholly or partially based on the average market values of clients' investment portfolios, which values fluctuated widely through the year. In another but similar context, fee revenues of our Corporate Services divisions were adversely affected by the vagaries of stock trading activity through the year in addition to the constrained level of newly issued stock and, in particular, public bond offerings introduced into Canadian capital markets.

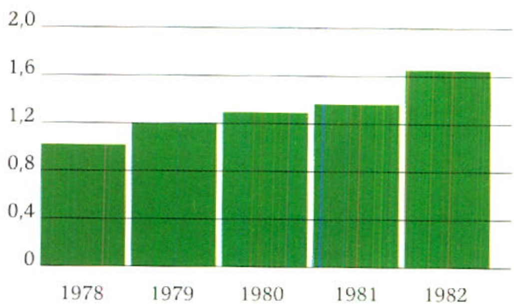
Income received by the Company on its own investment portfolio was reduced by lower interest income on short term securities and deposits relative to average interest rates available in the prior year. In addition, dividend income was lower owing to reduced or temporarily suspended dividend payments by certain public and private corporations in which Montreal Trust holds an investment interest.

On the positive side of the ledger our financial intermediary activities, particularly in the second half of the year, produced more favourable interest rate spreads than had been achieved in either of the two prior years.

Financial Highlights

Viewed in that context, our results for 1982 showing net operating income of $6,704,000 or 74¢ per share against $5,515,000 or 61¢ per share in 1981 are moderately satisfactory. Net income was $5,383,000 or 59¢, compared with $6,812,000 or 75¢ per share in 1981 and reflects provisions for losses and realized losses on mortgages, net of income taxes,

Company and Guaranteed Assets (in billions)



of $2,040,000, partially offset by profits on the sale of investments and the retirement of debt.

Although our operating profit shows a marked increase over 1981, a difficult year for the Company, it does not yet provide our shareholders with an adequate return on equity, especially considering the returns which have been available for some time on risk free investments.

Our assets grew by 21% from $1.375 billion to $1.661 billion, the largest increase in over 10 years.

Assets under administration increased during the year to reach approximately $16.1 billion, pension assets growing by over $2 billion.

Including our guaranteed and capital accounts, total assets under administration reached $17.8 billion, placing Montreal Trust at the third rank amongst Canadian trust companies.

Our regular quarterly dividend was increased during the year, from 7-1/8¢ to 7-1/2¢, following our corporate reorganization, and a special dividend was declared at the new quarterly rate, putting the total dividend paid in 1982 at 36.7¢ a share against 35.6¢ in 1981.

Revenue and Expense

Fees and commissions excluding real estate increased by a modest $2,145,000 or 4.8% with pension trust fees accounting for most of the increase.

Real estate commissions earned dropped by 24%. Commissions paid also declined so that net real estate commissions decreased from $10,691,000 to $8,657,000, a serious reduction. The activity in the secondary market was significantly lower than in the previous year, as a result of mortgage rates, increased unemployment and the impact of the recession on buyers' attitudes.

Interest on mortgages, securities and deposits increased by $28,034,000 or 16%. Dividends at $6,449,000 were lower than in the previous year mainly due to reduced common share dividends and to lower rates on floating rate preferred shares.

Interest expense at $171,229,000 was up $15,853,000 or 10.2%. A much better spread was achieved mainly because of a sharp decline in deposit rates in the latter part of the year.

Salaries were up 8.8% and premises and equipment increased 8.6% which represents good expense control.

The improvement of our systems and expenses related to our real estate activities, particularly in connection with some office closures, accounted for part of this increase. Also, a conservative approach was deemed advisable in setting up appropriate provisions and reserves for interest, errors and omissions and bad debts.

Other items resulted in a net reduction from net operating income of $1,321,000 compared with a net addition of $1,297,000 in 1981. After many years of operating without any significant principal losses on mortgage investments, high unemployment and a sharp drop in real estate values led to increased defaults in 1982, where liquidation will result in a loss. Here again, we have provided for all losses which could be identified at year-end.

Balance Sheet

The Guaranteed Account experienced a rapid increase especially in the second half of the year. The Company added significantly to its investment in short term securities as funding growth tended to be in deposits and short term investment certificates.

There was a small decrease in the mortgage portfolio reflecting a decline in new loans and substantial partial and full payments at maturity. Within the portfolio there was a sharp rise in mortgages for a term of 1 year or less and a corresponding reduction in mortgages for a term of 5 years.

Although short term deposits accounted for much of our growth on the liabilities side, in the last quarter of the year we solicited medium term deposits more aggressively for specific maturities to improve the matching of our assets and liabilities.

Book value at year-end of $7.69 a share compares with $7.47 a share at the end of the prior year.

Corporate Priorities

During 1982 a corporate programme of priorities was adopted, helping senior management to focus on a number of key objectives.

1. The preparation of a five year strategic plan, the first priority, is well under way. The planning process has involved Head Office service heads and vice-presidents, key branch officers and regional vice-presidents, and directors. It will set corporate goals and strategies and form the basis for developing operating plans in all areas of our business. Our organizational structure will be reviewed and our management information systems improved. It is proving to be a demanding and refreshing process, which is what it should be. As General Eisenhower said: "Planning is everything, plans are nothing".

2. This process however did not prevent us from addressing a number of other key areas of our operations. Our ability to deliver efficient and competitive services, and to expand, depends largely on our systems. The decision was thus taken to accelerate the development and implementation of a new trust reporting, accounting and control system and an 18 month/$3 million programme to that effect was initiated in August. This is a major undertaking, encompassing all of our fiduciary activities. The project is on schedule; it has far reaching operating implications and will greatly enhance our position. During the year, a decison was also made to replace our mortgage system and this should be completed in 1983. And, in the fall, we started to convert the numerous funds that we manage into a new Integrated Funds System. These developments, together with a continuing emphasis put on upgrading our data processing systems in other areas in 1983, will materially improve the quality of our service and of our controls.

3. A corporate reorganization was announced on September 8, 1982 and completed on November 18.

Prior to that reorganization, Montreal Trust Company, a Quebec chartered trust company, was both an operating company in Quebec *and* the parent company of a number of subsidiaries, including Montreal Trust Company of Canada, our principal operating trust company in the other provinces.

The necessary approvals and tax rulings were obtained and shareholders representing 98.6% of the shares outstanding accepted an offer which in effect substituted Montreal Trustco Inc. as the new parent company of the group. Using the provisions of the Quebec Companies Act, Montreal Trustco Inc. became on November 18 the sole registered owner of Montreal Trust Company.

Incorporated under the Canada Business

Corporate Organization
Before

SHAREHOLDERS

Montreal Trust Company

Montrustco Corporation

Montreal Trust Company
of Canada and other companies

After

SHAREHOLDERS

Montreal Trustco Inc.

Montreal Trust Company,
Montreal Trust Company
of Canada and other companies

Corporations Act, Montreal Trustco Inc. will provide our group with more flexibility and freedom of action. This reorganization did not result in any change in the Management or Head Offices of Montreal Trust Company and Montreal Trust Company of Canada.

4. Matching has been a stated if sometimes elusive goal of Canadian financial institutions for quite some time. In recent years, rapidly changing client preferences and volatile interest rates have resulted in some mismatch with most financial institutions. Montreal Trust did not escape the common plight.

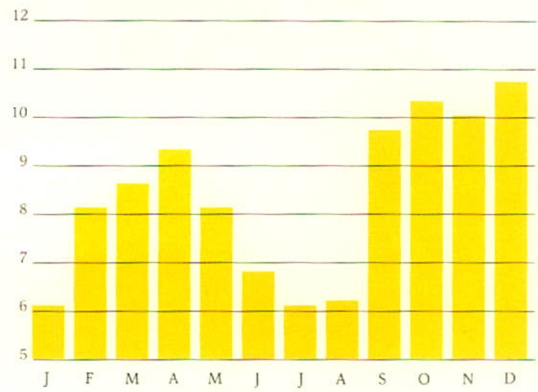
However, matching is the cornerstone of a safe, stable and profitable spread business, as well as a discipline which ultimately results in the proper pricing of assets and liabilities products. Efforts were made, therefore, throughout 1982, to increase our interest sensitive assets, mainly through short term money market instruments. Also, a variable rate mortgage was first offered to our clients in June which met with a very good response. And, interest rates having moved down considerably, a major matching programme was initiated in November with the objective of eliminating the mismatch between our 1 to 5 year assets and liabilities.

New systems and reports were also developed to improve our ability to match the current business.

Our profitability will continue to be affected by those long term mortgages made mostly in the '60's, although in a relatively smaller proportion every year. Our matching programme will lock in less than optimum spreads in some cases, but should provide, however, a sound base for increasing the profit contribution of our spread operations over the next few years.

5. A fifth area received priority attention during the year, first as part of our planning process and also in response to deteriorating market conditions. Our real estate operations resulted in a large direct loss in 1982, which on the segmented

Real Estate Monthly Activity (as a percent of total)



operating results, is further increased by a significant allocation of corporate overhead expenses.

Real estate gross commissions being 40% below the 1981 figures for the first half of 1982, a comprehensive programme was developed to enable us to operate profitably at that lower level of market activity. Operating costs were reduced, some offices were closed, the industrial, commercial and investment division was trimmed down considerably and administrative procedures and controls were improved. There is a limit however, as to what can be achieved without a major restructuring of that industry.

Directors

Four directors are not standing for reelection this year. Messrs. Peter D. Curry, J.W.E. Mingo, Q.C., Douglas J. Peacher and Senator John M. Godfrey, Q.C. have provided the Company and its management with wise counsel and keen support, over a number of years. Their presence will be missed.

Following the annual meeting last year, Mr. James W. Burns succeeded Mr. Matthew S. Hannon, Q.C. as Chairman of the Executive Committee and, Mr. Paul Britton Paine, Q.C. having reached retiring age, Robert Gratton was elected Chairman, President and Chief Executive Officer.

Paul Britton Paine, Q.C. has served Montreal Trust with distinction as a director since 1971, as Chief Executive Officer since 1973 and as Chairman since 1975. On behalf of our senior management, the board of directors and the shareholders, I would like to express to him our gratitude and our best wishes in his present and future endeavours.

Mr. Matthew Hannon, Q.C., a director since 1966, was Chairman of the Executive Committee for 13 years. He continues to serve as a member of the Executive Committee. His loyalty and contribution to this Company has been and is appreciated by all.

Advisory Boards

During the year, T.C. Cossitt, M.P., the Chairman of the Brockville Advisory Board died and was succeeded by J.W.C. Langmuir. In accordance with Company retirement policy, T.S.A. Freeman retired from the Newfoundland Board and C.E. Atchison will not be standing for re-election as Chairman of the Winnipeg Board. The directors appreciate the contributions these gentlemen have made to the welfare of the Company in their respective areas.

Additions to the Brockville Board in 1982 were John A. Radford in June and John McKend in October. Since year-end, J.W.E. Mingo, Q.C. resigned as Chairman of the Halifax Board and was replaced by G.D. Stanfield.

Officers

Towards the end of the year, three key executive appointments were announced: J. Gordon Telfer, as Senior Vice-President; F. Paul Keefe, as Vice-President, Finance and George Saba, as Chief Economist.

Trust Industry

Recent events in connection with three trust companies representing less than 2% of both trust companies' assets and assets under administration have been used in many quarters to raise unjustified and irresponsible doubts about the whole trust industry.

This industry has served Canadians well, over almost 150 years, and is a dynamic and essential part of the Canadian financial community. Our major trust companies compare well with any group of trust companies or trust departments worldwide.

Bank failures in other countries or quasi-failures in this country have not resulted in the kind of widespread questioning and suspicion that we have witnessed here in recent months. Overnight, a lot of people offered unsolicited advice to the Canadian public and the various governments. For the record, a few issues should be dealt with.

First, we are not under-regulated or under-supervised. Applicable federal and provincial legislation and regulations provide strict rules in all areas of our business: borrowing powers, liquidity ratios, lending and investment powers and restrictions to same, our duties and responsibilities as trustees, to name a few. Reporting requirements are demanding, to say the least: this Company files 67 reports each year, totalling 1,064 pages to various governments in Canada. We are audited by the Canada Department of Insurance and Quebec Department of Insurance every year, not to mention the normal internal and external audit activities. In fact, this industry needs a widening of its powers to remain competitive, not the reverse.

The issue of restricting the ownership of trust companies has also been raised. That issue may be relevant to a particular situation, it is not when we look at the industry as a whole. An imprudent management can be the source of problems just as much as an imprudent owner. It can be argued strongly that a single or controlling owner will provide, on balance and over a period of time, a more effective protection against the possibility of such occurrences. Undesirable behaviour will happen, in any system, and it is our view that restricting the ownership of trust companies would not make it any more or any less easy or likely. If conflict of interest rules have to be looked at and tightened, so be it, but let us not reject a pattern of ownership which is critical to the well-being of this industry. Let us not make this pattern a scapegoat for other failings.

The ease of entry into the trust industry has alarmed a number of people for many years. The federal and Ontario governments have granted 82 trust charters over the past 20 years. Too often, a $1 million capital investment appeared to be the only requirement. Deposit insurance made it possible and relatively easy for new companies to compete for deposits. Borrowing and lending powers, often did not appear to be tailored to the size or track record of companies. It should not be easy to set up a trust company.

What is called for is a reasonable and responsible discussion of the facts, not simplistic solutions often advocated by people who may find it convenient to stir a controversy or to re-direct attention away from themselves.

Outlook

1983 will be a challenging year. The effects of the recession will be felt in most areas of our Company. Demanding goals have been set in addition to the usual financial ones. Our confidence is derived from the competence and enthusiasm of our employees and officers whose support is key to achieving the results that we hope for.

On behalf of the Board:

Robert Gratton
Chairman of the Board and
Chief Executive Officer
Montreal Trustco Inc.

Montreal, February 7, 1983

Harold T. Martin

As the economic climate regressed during 1982, the staff and management of the Company faced many difficult challenges. A number of significant accomplishments were achieved during the year. As we embark upon our 94th year of operation, we are committed to building new and improved systems to better position ourselves for the future.

Interest rates were historically high throughout most of the year. The volatility of rates significantly affected the actions of both borrowers and depositors. The overall good performance of Montreal Trust, despite the adverse effects of interest rates, is attributable to our well-balanced business base. All departments made a positive contribution to earnings with the exception of Real Estate operations which reflected the stagnant conditions prevailing for the marketing of properties across the country.

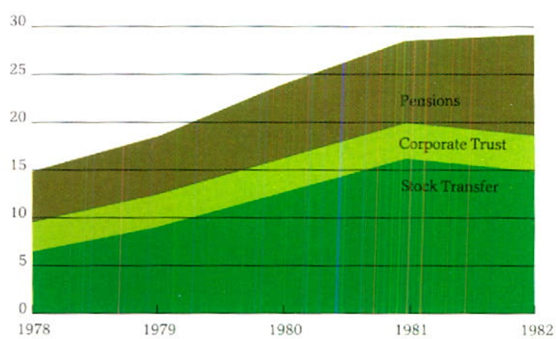
Throughout the year, we continued to meet the changing needs of our clients, both individual and corporate, by providing products and enhancing the level of service available to them. Initiatives taken during 1982 in many service areas will permit us to more readily adapt to the rapidly changing financial environment in which the trust industry finds itself. The financial institutions — trust companies, banks, credit unions and insurance companies are continuing to overlap into each other's traditional lines of business. It is going to be very competitive and we must continue to improve our ability to provide quality service to a sophisticated and demanding market that is increasingly dependant upon technology. Trust Accounting, Integrated Funds and Mortgage Systems are three examples of areas in which we have begun the challenging task of building new systems to improve efficiency and provide better service to our clients.

The development of a new Trust Accounting System was initiated in 1981 and consists of the planning, monitoring and day to day integration of services with Securities, Personal Trust, Pension Trust, Investments and Accounting activities. This new system will feature electronic posting, record keeping and automated statements and reports for client and control accounts. When fully functioning, our new Trust Accounting programme will provide the Company with one of the most advanced systems in the industry.

Corporate Services

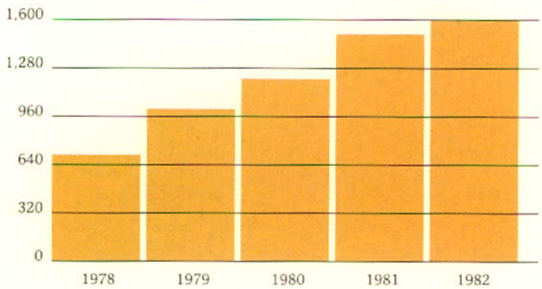
Continued expansion in Stock Transfer services was experienced during 1982, with fee income reaching $11.9 million. Our Dividend Reinvestment service showed the most dramatic growth, particularly in Québec where the benefits of the Stock Savings Plan are becoming recognized. We

Corporate Services Fee Income (in millions)



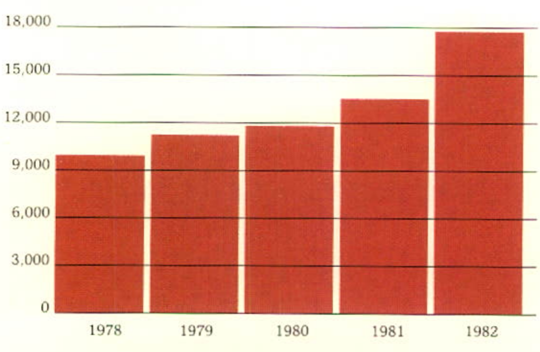
are the largest agent in Canada, providing Dividend Reinvestment and Stock Dividend services to many prestigious corporations who raised in excess of $157 million in additional capital during the year through our facilities. To maintain our leadership position, we have developed many enhancements to our on-line Transfer System with sufficient flexibility and capability to meet the increasingly complex requirements of customers.

Stock Transfer Shareholder Accounts (in thousands)



During 1982, we introduced an on-line proxy system to our Automated Corporate Transfer System. We offer the only on-line real time proxy system in Canada. Voting results by shareholders are immediately available to corporate executives on up to 16 motions, as soon as the proxies are received at any one of our numerous centres in Canada. A continuing summary of votes cast is maintained and the comprehensive reports generated provide corporations with an analysis of voting patterns enabling company executives to be well-informed as the date of a

Corporate Trust Debt Issues (in millions)



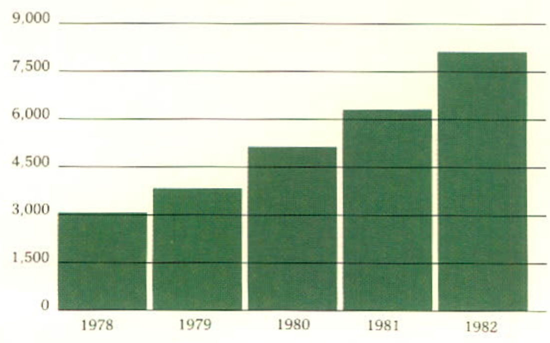
shareholders' meeting approaches.

Our Corporate Trust function had a satisfactory year in terms of both revenue and profit. The apparent stabilization of interest rates should increase borrowing by way of debt financing. The continuing improvements to our on-line systems, coupled with the considerable expertise of our administrative personnel in key Canadian financial centres will ensure that the Company maintains its leadership position in Corporate Trust services. By closely monitoring borrowing patterns within the long-term debt market, borrowing on foreign markets and bank financing, we can ensure that changes are made to our systems and expertise to enable us to maintain our important major share of this market.

Pension Services

Total assets under administration have continued the growth pattern achieved over the past few years and surpassed $8 billion in 1982. For the second successive year, new annualized fee income exceeded $400,000.

Pension Assets Under Administration (in millions)



The administration of Employee Benefit Funds continued to be an important area of growth. To meet these trends, the Company has taken initiatives to add administrative and marketing support while expanding internal computer processing capacity which will reduce our present requirements for external specialized processing. This will reduce long-term costs.

The trust industry's direct market share of Self-Directed Retirement Savings Plans is being eroded by strong competition from investment dealers. We are taking active steps to cope with this situation by redefining our position and providing a more price-competitive service for this product. We also act as trustee of major investment dealer-sponsored plans. This has helped to stabilize our income from the Self-Directed Retirement Savings Plans area.

Personal Trust

High and rising costs associated with Personal Trust services have largely offset increased revenues. Personal Trust assets under administration in 1982 showed a slight increase. It is encouraging to note a substantial improvement in operating income by our western branches.

We are determined to maintain a high standard of service for our clients. To help offset the high costs of providing service, we are embarking on a study of means through which productivity can be increased.

During 1982, the accelerated growth of the Common Trust Fund continued with an increase of 78% over 1981 to $25 million. It remains the only Fund of its kind in Canada and during the year, a preferred stock section was introduced to provide greater investment selection.

The estate, trust and agency administrative procedures, particularly those applicable to new estates and the investment function associated with all trust services were reviewed and improvement inaugurated.

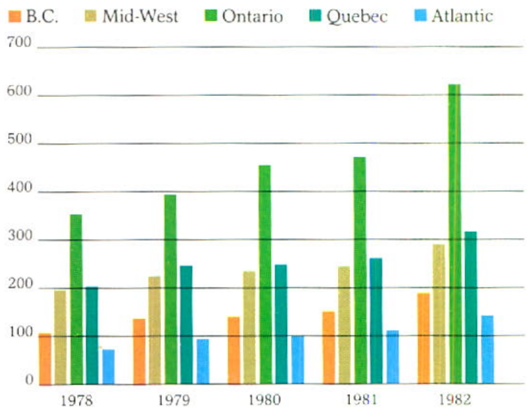
A detailed analysis of all components comprising this service area, completed during the year, is expected to have a significant impact on future development of existing and new Personal Trust services.

Deposit Services

All classes of deposits grew during the year with an accelerated demand for Guaranteed Investment Certificates, despite the less than favourable economic conditions. At year-end, total deposits increased 22% to over $1.5 billion.

Depositor preference continued to gravitate to the shorter terms, particularly one year, and away from the traditional five year term. To encourage term extension, we successfully introduced special

Regional Deposits (in millions)



rates for selected terms. With the fall of interest rates in late 1982 and with the decline expected to continue resulting in reduced inflation, greater stability should prevail in the financial marketplace and thus encourage individual and institutional investors to return to the traditional longer term deposits and investments.

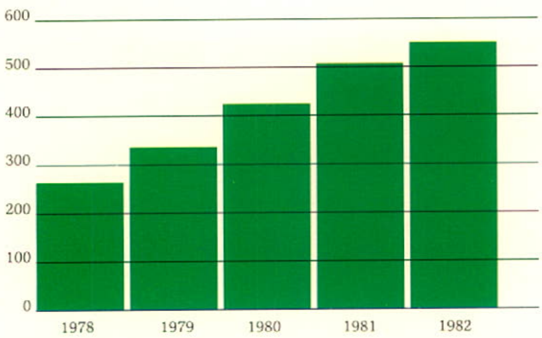
Fund Services

A sophisticated computer system was developed during 1982 to support the administration functions of our Fund services. This "Integrated Funds System" (I.F.S.) will handle the multi-requirements of our publicly offered funds such as the Registered Retirement Savings Plans, Investment Funds and Home Ownership Savings Plans while supporting other privately sponsored benefit funds for which Montreal Trust acts as Trustee.

Our ability to administer a large number of plan variables in addition to offering a highly professional portfolio management service, gives us a competitive advantage in attracting employee benefit plans tailored to the needs of any company.

To maintain our position in meeting the needs of the marketplace, we added to our range of products a Money Purchase Pension Plan (M.P.P.P.). Introduced to the market in 1982, the Plan will be offered

RRSP Assets Under Administration (in millions)



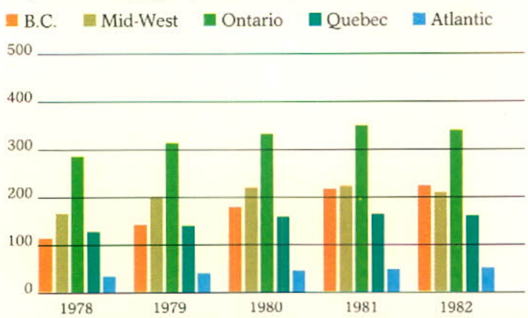
from coast to coast during 1983. A standard low priced plan, the M.P.P.P. offers an additional tax shelter to those companies affected by budget changes restricting significant shareholder participation in Deferred Profit Sharing Plans.

The growth of assets in our various pooled funds was adversely affected by weak markets during most of the year and also by the uncertain economic outlook. The Registered Retirement Savings Plan was affected by the introduction of investment dealer sponsored self-directed plans.

Mortgages

Persistently high interest rates continued through the first eight months of 1982 which depressed all segments of real estate activity in Canada, resulting in a significant decline in the demand for mortgage financing. Over 50% of our total loan volume for the year of $140 million was underwritten during the last quarter as interest rates declined to more acceptable levels. The established trend to shorter term residential mortgages continues with approximately 60% of the 1982 loan volume committed for terms of less than five years.

Regional Mortgages (in millions)



A three month variable rate mortgage was introduced in June, 1982 and quickly gained acceptance from mortgage clients, in particular those whose current loans were due for renewal. By year-end, in excess of 40% of loan renewals were being underwritten on the three month variable rate basis.

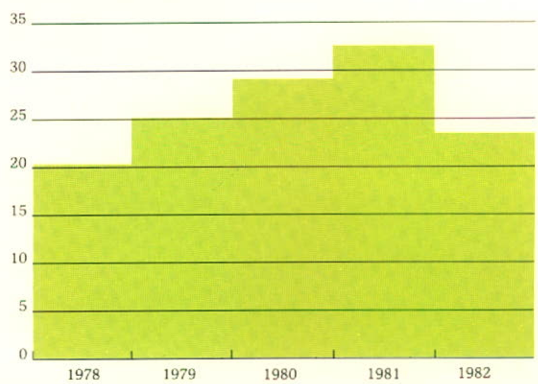
To increase our expertise in managing our mortgage investment portfolio and to improve our loan administration capabilities, a decision was taken to upgrade our mortgage computer system utilizing the most modern technology available. The implementation of this new system will occur in 1983.

The current decline in interest rates combined with increased real estate activity, provides an optimistic outlook for increased loan activity in the forthcoming year. We intend to expand our lending operations in order to better meet the requirements of our own Guaranteed Trust account.

Real Estate

Our Real Estate operations fared well in comparison with the competition in a

Real Estate Commissions (in millions)



market where escalating interest rates for a major portion of the year and a sluggish economy throughout 1982 caused a reluctance on the part of many potential home buyers to acquire property.

The prevailing conditions halted our proposed expansion plan and our collective efforts were concentrated on increasing market share in the more active centres in which we operate from coast to coast. We were successful in the recruitment of experienced sales personnel which has allowed us to maintain our sales force at a time when literally thousands left the industry.

A cost control program was initiated at mid-year allowing us to realize considerable savings in many areas while streamlining the manner in which we have traditionally conducted our business.

During the latter part of 1982, consumer confidence began to return due, in part, to the decline in interest rates, coupled with the various federal and provincial government subsidy plans. This led to increased sales activity in the last quarter of the year.

Personnel Services

Throughout 1982, we continued our long established policy of providing the opportunity for our employees to participate in technical and managerial development courses of the Trust Companies Institute of Canada. Additional internal training programs were developed to increase the professional skills and efficiency of our staff.

We were able to maintain planned 1982 programs of salary adjustments and benefits during the year despite the trying economic conditions.

Policies and procedures for employee progress reviews were updated during the year to become effective January 1, 1983. These new policies and procedures will permit the Company to closely follow the Six and Five guidelines established late in 1982 under the Federal Government's Wage Restraint Program.

Appointments made during 1982 include: Peter Lewis, Branch Manager, Victoria and Thomas Chapman, Branch Manager, Charlottetown.

While difficult economic conditions continued through most of 1982, the achievements and initiatives taken by the Company are the result of a supportive and dedicated group of employees. We appreciate the contributions made by each of them throughout the year. We are confident in the strength of the Company with a solid foundation upon which to build for the future.

Harold T. Martin
Executive Vice-President
& General Manager

Montreal, February 7, 1983

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MONTREAL TRUST

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Montreal Trustco Inc.
Consolidated Statement of Income
For the year ended December 31, 1982

M O N T R E A L T R U S T

	1982	1981
Revenue		
Fees and commissions		
Personal trust	$ 13,309,000	$ 13,124,000
Corporate services	15,124,000	15,059,000
Pension trust	10,533,000	8,664,000
Mortgage services	4,087,000	4,419,000
Real estate	24,467,000	32,296,000
Other	3,769,000	3,411,000
	71,289,000	76,973,000
Interest from mortgages	127,317,000	118,456,000
Other interest	69,624,000	50,338,000
Dividends	6,449,000	6,562,000
	274,679,000	252,329,000
Expense		
Interest	171,229,000	155,376,000
Salaries	37,409,000	34,385,000
Real estate commissions	15,810,000	21,605,000
Staff benefits	4,623,000	3,984,000
Premises and equipment (Notes 3 and 7)	15,255,000	14,041,000
Other (Note 13)	22,828,000	18,299,000
	267,154,000	247,690,000
Income before income taxes	7,525,000	4,639,000
Taxes on income		
Current	78,000	35,000
Deferred	743,000	(911,000)
	821,000	(876,000)
Net operating income	6,704,000	5,515,000
Other additions (deductions)		
Profit on sale of investments $440,000 (1981 - $1,662,000) less income taxes	313,000	1,322,000
Gain on retirement of long-term debt $470,000 less income taxes	406,000	—
Losses on mortgages $4,080,000 (1981 - $50,000) less income taxes	(2,040,000)	(25,000)
Net income	$ 5,383,000	$ 6,812,000
Earnings per share		
Net operating income	$0.74	$0.61
Net income	$0.59	$0.75

Montreal Trustco Inc.
Consolidated Statement of Retained Earnings
For the year ended December 31, 1982

M O N T R E A L T R U S T

	1982	1981
Balance at beginning of year	$ 59,130,000	$ 55,556,000
Net income	5,383,000	6,812,000
	64,513,000	62,368,000
Dividends—Cash	3,308,000	3,238,000
—Shares (Note 11)	26,000	—
Balance at end of year	$ 61,179,000	$ 59,130,000

Auditors' Report

To the Shareholders,
Montreal Trustco Inc.

We have examined the consolidated balance sheet of Montreal Trustco Inc. as at December 31, 1982 and the consolidated statements of income, retained earnings and changes in financial position for the year then ended, and have obtained all the information and explanations we have required. 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 and according to the best of our information and the explanations given to us and as shown by the books of the companies, these consolidated financial statements present fairly the financial position of the Corporation as at December 31, 1982 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.

Touche Ross & Co.
Chartered Accountants
Montreal, Quebec,
February 7, 1983.

Montreal Trustco Inc.
Consolidated Balance Sheet
December 31, 1982

M O N T R E A L   T R U S T

Assets	1982	1981
Investments (Note 4)		
Cash, bank deposit receipts and treasury bills	$ 226,889,000	$ 142,593,000
Secured loans	33,278,000	25,872,000
	260,167,000	168,465,000
Securities		
Marketable (Note 5)	363,716,000	144,817,000
Not readily marketable	23,544,000	24,302,000
Associated companies	4,279,000	4,791,000
	391,539,000	173,910,000
Mortgages	971,249,000	994,472,000
Mortgages for sale under agreement	3,327,000	3,385,000
	974,576,000	997,857,000
Other		
Accounts receivable and advances to clients	9,984,000	9,229,000
Premises and equipment (Notes 3 and 7)	18,197,000	18,298,000
Other assets	6,336,000	7,724,000
	$1,660,799,000	$1,375,483,000

Approved on behalf of the Board
February 7, 1983

Robert Gratton, Director

James W. Burns, Director

Liabilities	1982	1981
Guaranteed Trust Accounts (Note 4)		
Deposits	$ 515,045,000	$ 428,462,000
Investment certificates	1,045,650,000	852,584,000
	1,560,695,000	1,281,046,000
Accounts payable and accrued liabilities (Note 6)	14,560,000	6,300,000
Deferred income taxes (Note 6)	10,208,000	13,908,000
Long-term debt (Note 7)	5,475,000	6,475,000
	30,243,000	26,683,000

Shareholders' Equity		
Capital stock (Note 11)		
Issued		
9,079,075 Series A common shares	2,619,000	2,592,000
Contributed surplus	6,063,000	6,032,000
Retained earnings	61,179,000	59,130,000
	69,861,000	67,754,000
	$ 1,660,799,000	$1,375,483,000

Montreal Trustco Inc.
Consolidated Statement of Changes in Financial Position
For the year ended December 31, 1982

M O N T R E A L T R U S T

	1982	1981
Funds derived from		
Operations		
Net income	**$ 5,383,000**	$ 6,812,000
Add non-cash items charged (credited) against net income		
Depreciation and amortization (Note 3)	**2,257,000**	2,132,000
Deferred income taxes	**117,000**	(463,000)
	7,757,000	8,481,000
Increase in Guaranteed Trust Accounts		
Deposits	**86,583,000**	35,338,000
Investment certificates	**193,066,000**	33,003,000
Decrease (increase) in mortgages	**23,281,000**	(60,284,000)
Other		
Increase in accounts payable, accrued liabilities and deferred income taxes (Note 6)	**4,443,000**	1,700,000
Issue of capital stock (Note 11)	**58,000**	44,000
	$315,188,000	$ 18,282,000
Funds applied to		
Increase in investments		
Cash, bank deposit receipts, treasury bills and secured loans	**91,702,000**	3,189,000
Securities	**217,629,000**	5,207,000
Increase in assets, other	**1,523,000**	6,648,000
Retirement of long-term debt (Note 7)	**1,000,000**	—
Dividends paid	**3,334,000**	3,238,000
	$315,188,000	$ 18,282,000

1. Corporate organization

Montreal Trustco Inc., incorporated in 1982 under the Canada Business Corporations Act, is the parent of the Montreal Trust group of companies.

During 1982, Montreal Trustco Inc. acquired the shares of subsidiary companies from Montreal Trust Company, and following the completion of a share exchange offer, received all of the shares of Montreal Trust Company, in exchange for the issue of shares of Montreal Trustco Inc. This reorganization did not result in any change in the consolidated assets, liabilities and shareholders' equity of the Montreal Trust group of companies.

The financial statements as presented recognize a continuity of the interest of the shareholders of Montreal Trust Company before the share exchange with the shareholders of Montreal Trustco Inc. after the share exchange. Accordingly, the reported consolidated income for Montreal Trustco Inc. includes the income of the Montreal Trust group of companies for the entire year, and the prior year's figures are those of the consolidated operations of Montreal Trust Company, the then parent company.

2. Summary of significant accounting policies

a. Consolidation

The financial statements of the Corporation include the accounts of the Corporation and its subsidiaries, all of which are wholly-owned. The principal subsidiaries are Montreal Trust Company, Montreal Trust Company of Canada, The Acadia Trust Company, The Canadian Trust Company, Montmor Investments Limited, Montreal Trust Mortgage Inc., Montrustco (Cayman) Limited and Treal Properties Limited.

b. Associated companies

The investments in associated companies are stated at cost and their earnings are taken into income only to the extent of dividends received. These and the Corporation's interest therein (through subsidiaries) at December 31, 1982 were: RoyNat Inc. (13.5%), Montreal Trust (Bermuda) Limited (40.0%) and Arawak Trust Company (Cayman) Limited (25.0%). In 1982, Montreal Trust Company sold its 50% interest in Montrad Inc.

c. Revenue and expense

All revenue and expense is recorded on an accrual basis except for fees subject to awards by courts or negotiation, which are recorded on a cash received basis. Income from aircraft and vessel leases is taken up over the term of the leases prorata to the declining balance of the investments not yet recovered. Gains or losses on sale of securities, based on average cost, are reflected in net income. Provisions for losses on mortgages are reflected in net income.

d. Asset valuation

Debt securities are valued at amortized cost; other securities are valued at cost. Mortgages are valued at amortized cost less provisions for losses. Premises and equipment are stated at cost less accumulated depreciation and amortization.

e. Deferred income taxes

The Corporation follows the tax allocation basis of accounting whereby income taxes are deferred to future years as a result of the deduction of amounts allowable in computing income for tax purposes which are in excess of the amounts provided for in the accounts, with respect to the mortgage and other investment reserve, depreciation and other items.

f. Assets under administration

Assets held under administration and assets held for the Guaranteed Trust Accounts of each of Montreal Trust Company and Montreal Trust Company of Canada are kept separate from each Company's own assets and are so earmarked on the books of each Company as to show the account to which they belong. Assets under administration are not reflected on the balance sheet.

3. Premises and equipment

Premises and equipment expense includes depreciation and amortization of $2,257,000 (1981 -$2,132,000), interest on the long-term debt of a subsidiary of $325,000 (1981 -$356,000) and rent expense, net of rental income, of $6,500,000 (1981 -$5,286,000).

Obligations contracted in respect of leased premises and equipment, net of rental income, are as follows:

	Total sum payable
1983	$ 4,492,000
1984	3,584,000
1985	1,961,000
1986	1,776,000
1987	1,770,000
Thereafter	21,531,000
	$ 35,114,000

4. Assets held for Guaranteed Trust Accounts

Included in the consolidated balance sheet are assets of the Guaranteed Trust Accounts of Montreal Trust Company and Montreal Trust Company of Canada as follows:

	December 31, 1982	December 31, 1981
Cash, bank deposit receipts, treasury bills and secured loans	**$ 222,252,000**	$ 140,957,000
Securities	**370,050,000**	149,722,000
Mortgages	**968,393,000**	990,367,000
	$ 1,560,695,000	$ 1,281,046,000

5. Marketable securities (in thousands)

	December 31, 1982		December 31, 1981	
	Cost	**Market**	Cost	Market
* Government of Canada				
Fixed interest rate	**$ 22,113**	**$ 22,269**	$ 11,270	$ 11,175
Variable interest rate	**—**	**—**	3,040	3,040
* Provinces of Canada				
Fixed interest rate	**1,999**	**1,605**	2,513	1,773
Variable interest rate	**14,771**	**14,771**	10,259	10,259
Canadian municipalities				
Fixed interest rate	**1,329**	**1,354**	1,398	1,259
Variable interest rate	**1,024**	**1,024**	—	—
Corporate obligations issued for a term of less than one year				
Fixed interest rate	**188,541**	**188,541**	4,986	4,986
Corporate bonds, debentures and obligations				
Fixed interest rate	**19,761**	**19,435**	20,520	19,940
Variable interest rate	**39,458**	**39,458**	13,445	13,445
Aircraft and vessel certificates	**11,506**	**11,506**	12,234	12,234
Preferred stocks				
Fixed dividend rate	**22,794**	**19,587**	24,058	20,144
Variable dividend rate	**29,250**	**29,250**	29,375	29,375
Common stocks	**11,170**	**17,423**	11,719	17,782
	$ 363,716	**$ 366,223**	$ 144,817	$ 145,412

*Including guaranteed by

Aircraft certificates represent part ownership of two aircraft leased to Air Canada net of a liability of $1,937,000 (December 31, 1981 - $2,069,000) which is secured by a mortgage on an aircraft and the related lease payments. The vessel certificates represent part ownership of two vessels: one leased to the Province of British Columbia and the other to Upper Lakes Shipping Ltd.

6.Contingency reserve

Certain valuation reserves made against investments of a subsidiary at December 31, 1969 are no longer required and in 1982 were transferred to a contingency reserve with appropriate adjustments to deferred income taxes.

7.Long-term debt

Treal Properties Limited, a subsidiary company, has outstanding 5 1/2% first mortgage sinking fund bonds due April 1, 1991. Office buildings in Toronto and Ottawa owned by the subsidiary and occupied by Montreal Trust Company, with a net book value at December 31, 1982 of $7,356,000, are pledged as security for the bonds. Sinking fund payments, ranging from $225,000 to $250,000, are due in 1983 to 1990 and the balance of $5,000,000 is due April 1, 1991. During 1982, the subsidiary elected to have the $225,000 sinking fund payment due in 1982 apply against bonds purchased and cancelled in previous years. In 1982, the subsidiary purchased and tendered for cancellation $1,000,000 of bonds, and at December 31, 1982 $1,450,000 of cancelled bonds remain available to meet future sinking fund requirements. The buildings are being depreciated by annual amounts equal to the sinking fund payments which, by April 1, 1990, will amount to 56% of the original cost.

8.Mortgage commitments

Outstanding commitments for future advances on mortgages were $21,165,000 at December 31, 1982 (December 31, 1981 - $49,353,000).

9.Litigation

On April 20, 1978 the liquidators of the Luxembourg Mutual Investment Fund "I.I.T." instituted an action in the Supreme Court of Ontario against a subsidiary, Montreal Trust Company, for an unstated amount. The plaintiff is now seeking damages of $55 million with interest and costs in connection with the appointment, by the then management of the Fund, of Overseas Development Bank Luxembourg S.A. as cash custodian of the Fund at a time when the subsidiary was securities custodian of the Fund. The subsidiary denies any liability, is contesting the action which is in its preliminary stages, and has been advised by counsel that it has a good defence.

10. Related party transactions

Related parties comprise the parent company, The Investors Group, and through it Power Corporation of Canada, The Great-West Life Assurance Company and Consolidated-Bathurst Inc. as well as an associated company, Montrad Inc. until February 17, 1982.

The Corporation (through subsidiaries) provides services as stock transfer agent, mortgage correspondent and bond and pension plan trustee to related companies at competitive prices and is provided with health insurance by a related company at competitive rates and terms. These transactions are not significant.

Montreal Trust Company has certain receivables from and securities of related companies totalling $19,634,000 at December 31, 1982 (December 31, 1981 -$32,780,000) and recorded interest income thereon of $1,535,000 (1981 - $2,358,000). The interest rates and terms were competitive at the time the receivables originated.

11. Capital stock

The authorized capital of the Corporation is an unlimited number of preferred shares without nominal or par value issuable in series, 1,000 10¢ cumulative voting preference shares without nominal or par value redeemable at $1, and an unlimited number of common shares without nominal or par value, issuable as Series A common shares and Series B subordinate voting shares. The Series A common shares and the Series B subordinate voting shares are interconvertible on a share for share basis and are equal in all respects except that the Series A common shares carry three votes per share and the Series B subordinate voting shares carry one vote per share.

At December 31, 1981 there were 2,592,250 shares of Montreal Trust Company outstanding. In prior years, options were granted to certain employees to purchase shares of Montreal Trust Company. In 1982, no new options were granted and options on 1,800 shares were exercised (3,200 shares in 1981). At December 31, 1982, no options were outstanding. The premium on the shares issued has been credited to contributed surplus.

On October 21, 1982, as part of the corporate reorganization, a dividend of 1 Common Series A share of Montreal Trustco Inc. was issued for each share of Montreal Trust Company held. Also on October 21, 1982 a share exchange took place on the basis of 2.5 Series A shares of Montreal Trustco Inc. being issued for each share of Montreal Trust Company outstanding. An amount of $774 (equivalent to 100 shares of the Corporation) was paid in cash to shareholders in lieu of issuing fractional shares.

As a result of these transactions, there were 9,079,075 Series A common shares of the Corporation outstanding at December 31, 1982.

12. Segmented information

The principal services are:

Fiduciary — comprising the earnings from acting as executor, trustee, agent, manager and/or custodian for persons, corporations and institutions other than as set out in the following sections;

Real estate — comprising the earnings from acting as agent in the sale, leasing and/or management of real estate and from the appraisal of properties and;

Financial intermediary — comprising the earnings from the investment of deposits received under guarantee and the investment of the shareholders' equity.

(in thousands)	Fiduciary	Real Estate	Financial Intermediary	Total
1982				
Revenue	**$ 58,020**	**$ 25,917**	**$ 190,742**	**$ 274,679**
Income (loss) before income taxes	**$ 5,428**	**$ (5,032)**	**$ 7,129**	**$ 7,525**
Net operating income (loss)	**$ 2,553**	**$ (2,538)**	**$ 6,689**	**$ 6,704**
1981				
Revenue	$ 57,432	$ 33,916	$ 160,981	$ 252,329
Income (loss) before income taxes	$ 13,246	$ (2,342)	$ (6,265)	$ 4,639
Net operating income (loss)	$ 6,353	$ (1,159)	$ 321	$ 5,515

In arriving at the results for each segment, it was necessary for management to exercise judgment in the allocation of a material amount of expense which was common to all services. A statement of segmented assets would not be meaningful and is omitted.

13. Other expense

	1982	1981
Stationery, office supplies and communications	$ 7,270,000	$ 6,800,000
Advertising and promotional	4,649,000	5,061,000
Business taxes, insurance and professional fees	4,563,000	3,382,000
Other	6,346,000	3,056,000
	$ 22,828,000	$ 18,299,000

Ten-Year Financial Summary*

M O N T R E A L   T R U S T

	1982	1981	1980	1979
Balance Sheet as at December 31 (in thousands)				
Total assets	**$ 1,660,799**	$ 1,375,483	$ 1,302,287	$ 1,205,796
Mortgages and mortgages under agreement	**974,576**	997,857	937,573	836,878
Marketable securities	**363,716**	144,817	139,849	146,057
Cash, bank deposit receipts and treasury bills	**226,889**	142,593	154,348	150,797
Secured loans	**33,278**	25,872	10,928	14,515
Guaranteed deposits	**515,045**	428,462	393,124	313,991
Guaranteed investment certificates	**1,045,650**	852,584	819,581	814,068
Shareholders' equity	**69,861**	67,754	64,136	56,814
Results for the Year				
Revenue (in thousands)				
Interest from mortgages	**127,317**	118,456	95,411	80,748
Other interest and dividends	**76,073**	56,900	47,412	32,779
Real estate commissions	**24,467**	32,296	28,927	24,775
Fee income from estates, trusts and agencies	**46,822**	44,677	40,504	33,423
	274,679	252,329	212,254	171,725
Expense (in thousands)				
Interest	**171,229**	155,376	119,127	96,165
Real estate commissions	**15,810**	21,605	18,845	15,934
Salaries and staff benefits	**42,032**	38,369	33,733	28,891
Other operating expenses	**38,083**	32,340	28,637	23,670
	267,154	247,690	200,342	164,660
Income before taxes (in thousands)	**7,525**	4,639	11,912	7,065
Taxes on income	**821**	(876)	3,298	1,074
Net operating income	**6,704**	5,515	8,614	5,991
Gains (losses) on investments	**(1,321)**	1,297	1,431	338
Net income	**5,383**	6,812	10,045	6,329
Per Share*				
Net operating income	**$ 0.74**	$ 0.61	$ 0.95	$ 0.66
Net income	**0.59**	0.75	1.11	0.70
Dividends	**0.37**	0.36	0.31	0.29
Shareholders' equity	**7.69**	7.47	7.08	6.29
Number of shares outstanding at December 31	**9,079,075**	9,072,875	9,061,675	9,038,425

** Figures prior to 1982 have been restated for comparison purposes, see Note 11.*

M O N T R E A L   T R U S T

1978	1977	1976	1975	1974	1973
$ 1,026,718	$ 957,217	$ 859,270	$ 767,717	$ 696,286	$ 627,441
735,423	665,541	605,105	498,425	449,648	392,390
163,589	119,475	89,896	132,243	105,314	123,343
55,884	89,859	80,716	58,641	71,515	37,335
14,556	26,106	22,263	16,160	10,718	15,553
253,858	248,849	212,800	201,509	158,639	138,795
701,090	641,463	585,161	509,620	486,812	438,226
53,032	48,481	44,936	41,982	39,341	38,675
68,071	62,478	51,532	41,417	36,701	27,541
27,334	23,832	24,717	22,463	22,179	19,742
20,153	15,949	13,864	11,183	9,924	7,518
29,323	27,063	26,128	23,803	22,413	20,380
144,881	129,322	116,241	98,866	91,217	75,181
77,578	69,855	63,269	52,574	51,903	37,685
12,606	10,113	8,830	7,145	6,497	4,918
24,965	22,809	20,363	17,859	16,173	14,404
19,597	17,795	15,705	13,848	12,414	10,455
134,746	120,572	108,167	91,426	86,987	67,462
10,135	8,750	8,074	7,440	4,230	7,719
3,096	3,041	3,107	3,183	1,766	3,519
7,039	5,709	4,967	4,257	2,464	4,200
48	48	48	188	263	199
7,087	5,757	5,015	4,445	2,727	4,399
$ 0.78	$ 0.63	$ 0.55	$ 0.47	$ 0.27	$ 0.47
0.78	0.64	0.56	0.49	0.30	0.49
0.29	0.25	0.23	0.20	0.23	0.23
5.87	5.37	4.98	4.65	4.36	4.29
9,031,137	9,019,412	9,018,362	9,018,362	9,018,362	9,018,362

Board of Directors

February 7, 1983

MONTREAL TRUST

Robert Gratton
Chairman of the Board and
Chief Executive Officer
Montreal Trustco Inc.
Montreal

James W. Burns
Chairman
Executive Committee

President
Power Corporation of Canada
Montreal

Claire B. Beaudoin
Director
Les Placements Bombardier
Limitée
Montreal

Robert A. Belanger
Senior Vice-President
Bank of America
New York

Douglas A. Berlis, Q.C.
Messrs. Aird & Berlis
Toronto

Robert W. Bonner, Q.C.
Chairman
British Columbia Hydro and
Power Authority
Vancouver

Peter D. Curry
Deputy Chairman
Power Corporation of Canada
Montreal

Louis-Philippe de Grandpré, C.C., Q.C.
Messrs. Lafleur, Brown,
de Grandpré
Montreal

Paul Desmarais, Jr.
Vice-President
Power Corporation of Canada
Montreal

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Chief Executive Officer
Steinberg Inc.
Montreal

Jacques Genest, C.C., M.D.
Scientific Director
Clinical Research Institute
of Montreal
Montreal

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Godfrey & Lewtas
Toronto

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Executive Officer
The Investors Group
Winnipeg

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Canada Cement Lafarge Ltd.
Montreal

Pierre LaRue, Q.C.
Messrs. Létourneau, Stein &
Amyot
Quebec

MacKenzie McMurray
Corporate Director
Montreal

Arthur V. Mauro, Q.C.
President
The Investors Group
Winnipeg

J. William E. Mingo, Q.C.
Messrs. Stewart, MacKeen &
Covert
Halifax

Paul Britton Paine, Q.C.
Vice-Chairman
Power Corporation of Canada
Montreal

Douglas J. Peacher
Corporate Director
La Jolla, California

Hershell A. Smith, D.S.O., M.C.
President
Sooke Forest Products Ltd.
Victoria

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Douglas A. Berlis, Q.C.
Peter D. Curry
Melvyn A. Dobrin
Robert Gratton
Matthew S. Hannon, Q.C.
MacKenzie McMurray
Paul Britton Paine, Q.C.

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J. Taylor Kennedy
Arthur V. Mauro, Q.C.

Executive Compensation Committee

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Douglas A. Berlis, Q.C.
Matthew S. Hannon, Q.C.

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Executive Vice-President
and General Manager

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Senior Vice-President

Douglas T. Waite
Senior Vice-President
Calgary

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Operations

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Vice-President, Finance

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Vice-President
Client Services and Marketing

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Vice-President, Investments

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Vice-President, Personnel

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Vice-President, Mortgages

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Vice-President, Real Estate

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Assistant Vice-President
Stock and Bond Transfer
Services

Roary A. Butler
Assistant Vice-President
Information Systems

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Assistant Vice-President
Premises and Security

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Assistant Vice-President
Pension Services

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Assistant Vice-President
Mortgages

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Assistant Vice-President
Mortgage Administration

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Chief Economist

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Assistant Vice-President
Pension Investment Services

Norman W. Stefnitz
Assistant Vice-President
Investments

Jack H. Whiteley
Assistant Vice-President
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Director, Deposit Services

James G. Fullerton
Director, Executive and
Estate Planning

David W. Ireson
Director, Marketing Services

Frederick J. Turnbull
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Director, Trust Accounting
Systems

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Chief Internal Auditor

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Vancouver

Frank L. Austin
Vice-President — Mid-West
Region
Winnipeg

Ronald Bond
Vice-President — Ontario
Region
Toronto

Jean Luc Dutil
Vice-President — Quebec
Region
Quebec

R. Ross Pritchard
Vice-President — Atlantic
Region
Halifax

Gordon C. McDonell
Vice-President — Toronto
Branch

Kenneth J. McGregor
Assistant Vice-President
Calgary Branch

Offices

MONTREAL TRUST

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1 Place Ville Marie
Montreal, Quebec

Atlantic Region

Halifax, N.S.
R. Ross Pritchard, Regional
Vice-President and Branch Manager
Paul J. Dyer, Deputy Manager
Hollis and Prince Streets
Dale R. Lohnes, Manager,
Mortgage and Savings
Bayer's Road Shopping Centre

Charlottetown, P.E.I.
Thomas B. Chapman, Manager
129 Queen Street

Saint John, N.B.
Andrew B. Barteaux, Manager
61 King Street

St. John's, Nfld.
Maurice J. Fleet, Manager
331 Water Street

Truro, N.S.
Edgar G. Goss, Manager
798 Prince Street

Quebec Region

Quebec City
Jean Luc Dutil
Regional Vice-President
Jean-Paul Labbé, Manager
475 St. Amable Street

Montreal
Andrew Scipio del Campo, Manager
Jean-Marie Bérubé
Deputy Manager
1 Place Ville Marie
Margaret E. Crawshaw
Deposit and Fund Services
Fairview Shopping Centre

Ontario Region

Toronto
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Vice-President
Gordon C. McDonell, Vice-President
and Branch Manager
Clifford A. Sabirsh
Deputy Manager
15 King Street West

Brockville
Gregory S. Yashan, Manager
4 Court House Avenue

Hamilton
Albert E. Hetherington, Manager
31 Main Street West

Kingston
E. Keith Urwin, Manager
165 Wellington Street

Kitchener
Douglas A. Young, Manager
101 Frederick Street

London
W. Frank O'Connor, Manager
171 Queens Avenue

Ottawa
Hugh R. Williams, Manager
96 Sparks Street

Sudbury
Douglas K. Hodgson, Manager
11 Durham Street South

Windsor
Peter K. Eggett, Manager
810 Ouellette Avenue

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Winnipeg, Man.
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Regional Vice-President
and Branch Manager
Portage at Notre Dame Avenue

Regina, Sask.
Morris E.L. Sims, Manager
1908-11th Avenue

Saskatoon, Sask.
R. Eugene B. Griffith, Manager
234-21st Street East

Western Region

Vancouver, B.C.
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B.C. and Branch Manager
William N. Brittain
Deputy Manager
466 Howe Street
Leonard E. Pitt, Manager
Oakridge Shopping Centre

Kelowna, B.C.
Rodney W. Scheuerman, Manager
313 Bernard Avenue

Victoria, B.C.
W. Peter Lewis, Manager
100-747 Fort Street

Calgary, Alta.
Douglas T. Waite
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Kenneth J. McGregor, Assistant
Vice-President and Branch Manager
Edgar N. Ellis, Deputy Manager
411-8th Avenue South West

Edmonton, Alta.
Norman C. Raymond, Manager
10020-101A Avenue
Kevin R. Armitage, Manager
Southgate Shopping Centre

Overseas

George Town, Grand Cayman
Cayman Islands, B.W.I.
Montrustco (Cayman) Limited
Arawak Trust, *associated company*

Hamilton, Bermuda
Montreal Trust (Bermuda) Limited

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Dartmouth, N.S.
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Penhorn Mall

Truro, N.S.
Peter Maxwell, Manager
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John Horton, Manager
61 King Street

St. John's, Nfld.
Tom Osborne, Manager
94 Elizabeth Avenue

Charlottetown, P.E.I.
Garth McKearney, Manager
Confederation Plaza

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Montreal
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Shep Abbey, Manager
186 Sutton Place

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Robert Picard, Manager
Montenach Mall

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Jacques Labelle, Manager
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3635 Sources Blvd.

Kirkland
Kirkland Shopping Centre

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St. Martin Shopping Centre

Lévis
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Longueuil
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Jacques Cartier Shopping Centre
Pierre Perreault, Manager
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Jim Parsons, Manager
Fairview Shopping Centre

St. Bruno
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St. Hubert
Serge Lacaille, Manager
Galeries Cousineau

St. Romuald
Jacqueline Robitaille, Manager
49 Principale Street

Town of Mount Royal
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3201 Graham Blvd.

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4150 St. Catherine Street West

Ontario Region

Toronto
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Ted Stein, Manager
1992 Yonge Street

Agincourt
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1001 Sandhurst Circle

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Graham Bezer, Manager
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Bernard Gordon, Manager
140 Centennial Parkway

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Thomas Lepage, Manager
2500 Hurontario Street
Joseph Giglio, Manager
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Bill Croft, Manager
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George Demeda, Manager
222 Dixon Road

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Industrial, Commercial and Investment
234 - 21st Street East
Darlene Brentnell, Manager
1145-8th Street East

Winnipeg, Manitoba
221 Portage Avenue

Western Region

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Regional Manager, B.C. and Commercial Division Manager
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2146 West Broadway

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John Jilling, Manager
1108 Austin Avenue

North Shore
Joseph Blackman, Manager
756 Marine Drive, West Vancouver

Richmond, B.C.
Roberta Tilbe, Manager
10791 No. 3 Road

Sidney, B.C.
Wells Hooker, Manager
2419 Beacon Avenue

Victoria, B.C.
Ron Macdonald, Manager
1086 Fort Street

Edmonton, Alberta
Terry Johnston, Sales Representative, Industrial, Commercial and Investment
Andy Ponich, Sales Representative, Residential
10020 - 101A Avenue

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Halifax, N.S.
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Newfoundland
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N.R. Blair
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