

MONTREAL

# CITY & DISTRICT SAVINGS BANK



A STRONG PRESENCE FROM COAST TO COAST



HOWARD ROSS LIBRARY  
OF MANAGEMENT  
  
MAR 1979  
  
McGILL UNIVERSITY

*133rd Annual Report 1979*

# *A strong presence, from coast to coast*

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With a program of dynamic expansion, the City and District Savings Bank is reaching a growing number of Canadians. Through its new subsidiary, Crédit Foncier, the Bank is vigorously pursuing this program throughout the entire country.

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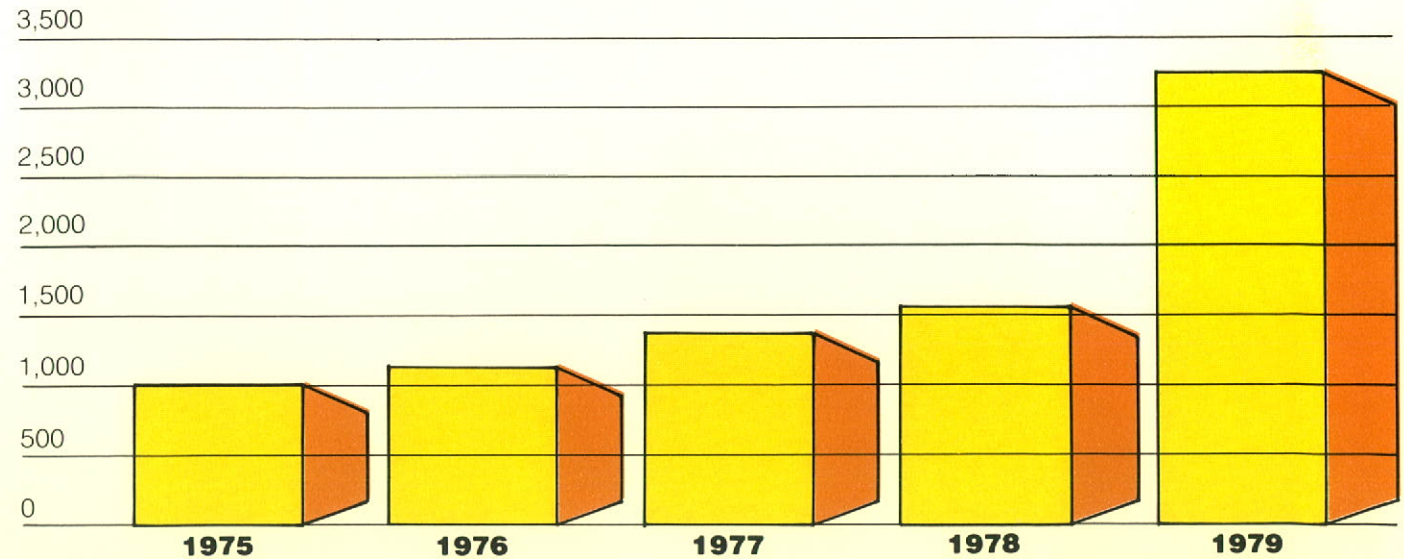
# The Montreal City and District Savings Bank

## Highlights of consolidated financial statements

	1979 (in thousands of dollars)	1978
Assets	<b>\$3,250,777</b>	\$1,539,206
Deposits	<b>\$2,940,421</b>	\$1,452,654
Securities	<b>\$ 455,949</b>	\$ 301,690
Mortgage loans	<b>\$2,157,663</b>	\$ 829,614
Net profit for the year	<b>\$ 7,802</b>	\$ 9,575

### Total assets (in millions of dollars)

The 1979 financial statements include the accounts of the Bank's wholly-owned subsidiaries:  
Crédit Foncier Franco-Canadien  
Fiduciaires de la Cité et du District de Montréal Limitée.



## Address of the Chairman of the Board

## A MEMORABLE YEAR...



In welcoming you to this, the Bank's 133rd annual meeting, I believe I can safely say that the year we have just ended can be classed as the most momentous in our Bank's history. This is true not only in our institution's evolution, but also to a large extent in the economic developments in the world community and what these portend for the future.

The last twelve months have seen continuing inflation almost throughout the western world, coupled to rising interest rates initiated last year and an energy problem that has had its large share in these trends.

As a result the Bank's final results for the 1978-79 fiscal year taken alone have been considerably below last year's and the explanation is quite simple. First of all, the adverse interest movement noted in my last year's report has continued in 1979 and unfortunately has accelerated in recent months. Due to the nature of our operations this results in a growing squeeze in our margin of profit. Very little can be done about this except to tighten our belt by paring down expenses, to seek additional sources of revenue and thus weather the storm which sooner or later will blow itself out. Before giving you any figures I do want to refer to the most important event in last year's operations.

In March of this year your Bank acquired 100% of the shares of Credit Foncier.

Credit Foncier is a very highly respected institution that will celebrate the 100th anniversary of its foundation next year.

Originally the company was founded by financial interests based in Quebec and France. Over the years the French interests acquired control and the situation prevailed until the Bank's take-over. As a result of this take-over, we now have a Quebec based and controlled major financial group, made up of the Bank and the Credit Foncier and their subsidiaries with assets exceeding 3 billion dollars, operating across Canada and which should have a stabilizing influence on relations between our Province and the rest of the country. To a large extent, I believe the dearth of such institutions in the French-Canadian community has been one of the major causes of our present political problems.

Established under a Quebec provincial charter, unlike the Bank, the Credit Foncier has extended its operations over the years outside the province so that today it is established from Halifax to Vancouver, with its Head Office in Montreal and 15 branches outside Quebec.

In many respects its operations parallel the Bank's. It finds its capital however through fixed term deposits allowing it to match its liabilities to its assets with a consequent protection against upward movements in interest rates. Since its capital structure is approximately equal to the Bank's this will have a very steadying influence on our group's total operations.

While the Credit Foncier operation was a dramatic expansion across the country for the Bank, on the other hand the Bank has been steadily expanding on its own and has opened 7 branches since my last report. One of these is a major step as it is entirely outside the Montreal area being located in Hull. You will hear more of this and details of financial operations from Mr. Roger Lavoie in his address.

The Credit Foncier's results, which have been quite remarkable in view of current conditions, are shown separately on our statements. Moreover as that company held its annual meeting only the day before yesterday and that this meeting was open to the public, no further comment will be made in this regard.

With respect to Montreal City & District Trustees it also has had a most encouraging year, in fact the most successful in its history. These figures are also shown separately in our statements and will be commented upon by both Mr. Lavoie and its general manager, Mr. Noé Delorme.

In connection with Mr. Lavoie, in view of the greatly expanded responsibilities he has assumed, I am pleased to refer to the fact that I have turned over to him the office of President and the continuing duties of Chief Operating Officer, remaining myself as Chairman of the Board and Chief Executive Officer.

On a consolidated basis our group, which now has a common fiscal year ending October 31st, had assets totalling \$3,250,777,000 at October 31st, 1979 compared to \$1,539,206,000 in 1978. Our consolidated gross income for the period attained \$290,188,000 against \$141,458,000 last year. Finally on per share basis our consolidated net profits in 1979 were \$2.86 against \$4.29 last year. It is to be noted however that this year's figure is on the basis of 2,730,000 shares while last year's is based on 2,232,000. These figures are on a weighted basis.

This brings me to another bright spot in my report and that is that again this year, and only for the second time in its history, the Bank had an issue of 600,000 additional shares. This was very successful, the issue being fully subscribed and bringing in an additional \$11,500,000 as against the \$5,500,000 of the previous issue for 400,000 shares. The bank's equity position on its own account including reserves is now \$57,996,839 against \$43,200,617 last year. On a consolidated basis the equity position of the group is \$60,647,000 as compared with \$45,331,000 in 1978.

In the course of the year, Mr. Stanley E. Nixon who had served on our board for many years and been a source of strength in financial matters decided to tender his resignation to lighten the burden of his many responsibilities. We accepted it reluctantly. In his stead we are pleased to present to you Mr. Pierre Lessard who is attending his first annual meeting of the Bank.

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Mr. Lessard, who is a Chartered Accountant, has a Bachelor of Arts and Master of Commercial Sciences degree from Laval University as well as Master of Business Administration from Harvard. He is President, Chief Executive Officer and a director of Provigo Inc. as well as being a director of several other companies. We welcome Mr. Lessard to our Bank's board.

As you will see later on in this meeting, the Bank will be losing the services of two of its more senior directors in length of service as Messrs. Louis Gravel and Jacques Nadeau are not presenting themselves for re-election.

Mr. Gravel has given many years of devoted service to the Bank having joined the Board in 1970 while Mr. Nadeau has only slightly less years of service having joined the Board in 1974.

To both these gentlemen on behalf of the Board and the shareholders, I express sincere thanks. Their wise counsel and support will be greatly missed.

To replace them, we are fortunate in being able to present you with Messrs. Guy A. Beaudin and Robert Gratton.

Mr. Robert Gratton as you all know was appointed President of the Credit Foncier in the course of this year and became Chief Executive Officer of that company at its recent annual meeting. He joined the Credit Foncier in 1971 and has been largely responsible for the company's remarkable growth in the last 8 years. A graduate in law of the University of Montreal, he has also a master of law degree from the London School of Economics and a degree of Master of Business Administration from Harvard. He is a director of Allstate Insurance Company of Canada, of Francana Oil & Gas Ltd., as well as of other Canadian corporations.

Mr. Guy A. Beaudin is a Chartered Accountant who is President and General Manager of F.I.C. Fund Inc. He is also President of Durand Hardware Ltd., a director of The Provident Assurance Co., Casavant Frères Ltée and several other important companies.

Both of these gentlemen will be of the greatest value in the advice they will bring to the conduct of the Bank's affairs in the course of the coming months, which promise to have more than their share of problems.

The best efforts of the Board of Directors and of management are of little avail if the personnel responsible for implementing them fail to do so. Fortunately we have a staff which at all levels has shown itself enthusiastic and capable. This has resulted in satisfied customers and sustained growth. To all our loyal employees I offer on my behalf, and that of management and shareholders, our sincere thanks for their continued support.

Now what of the future for our Bank and our country?

Economic conditions continue to be gloomy and unfortunately the next few months look like more of the same. However it would seem that interest rates have peaked which in our industry would be good news indeed and would be most encouraging.

As to inflation, high interest rates would not appear to be the way to contain it but on the contrary would seem only to aggravate the problem. The real culprit as has been said and is being reported more and more is the continued deficit financing of our major governments. Until these budgets are brought into balance inflation will be with us. A slight ray of hope is showing on the horizon.

The conservative government in Ottawa did make a sincere effort to contain expenses by avoiding new spending areas and cutting back wherever possible in those that cannot be totally eliminated. What the future now holds remains to be seen.

Provincially the government has also attempted to hold the line with however little success due mainly to problems of revenue and an unfavorable business climate largely of its own making. Until there is a considerable change in the latter area there is not much hope of real progress in this direction.

Tied in very closely with expenses are our labour laws which are badly in need of a complete overhaul. In particular employees in the public sector must no longer have the right to strike and create chaos in public essential services. Surely we can establish laws that will give these workers all the protection they are entitled to without holding the public to ransom.

It is somewhat of a mockery to give them the right to strike and then pass emergency legislation that not only forces them back to work but even forbids a strike to take place when it is only being contemplated.

It may be said that a revision of our labour laws has just been completed. However the spirit in which it was carried out would have been better understood in the Victorian era when labour was suffering under intolerable conditions rather than today when 2,000 men can paralyze a city of 2,000,000.

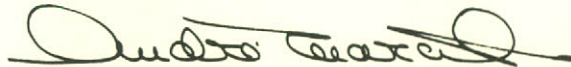
One thing is quite certain and that is that the labour laws we now have do not provide the answer they should be giving.

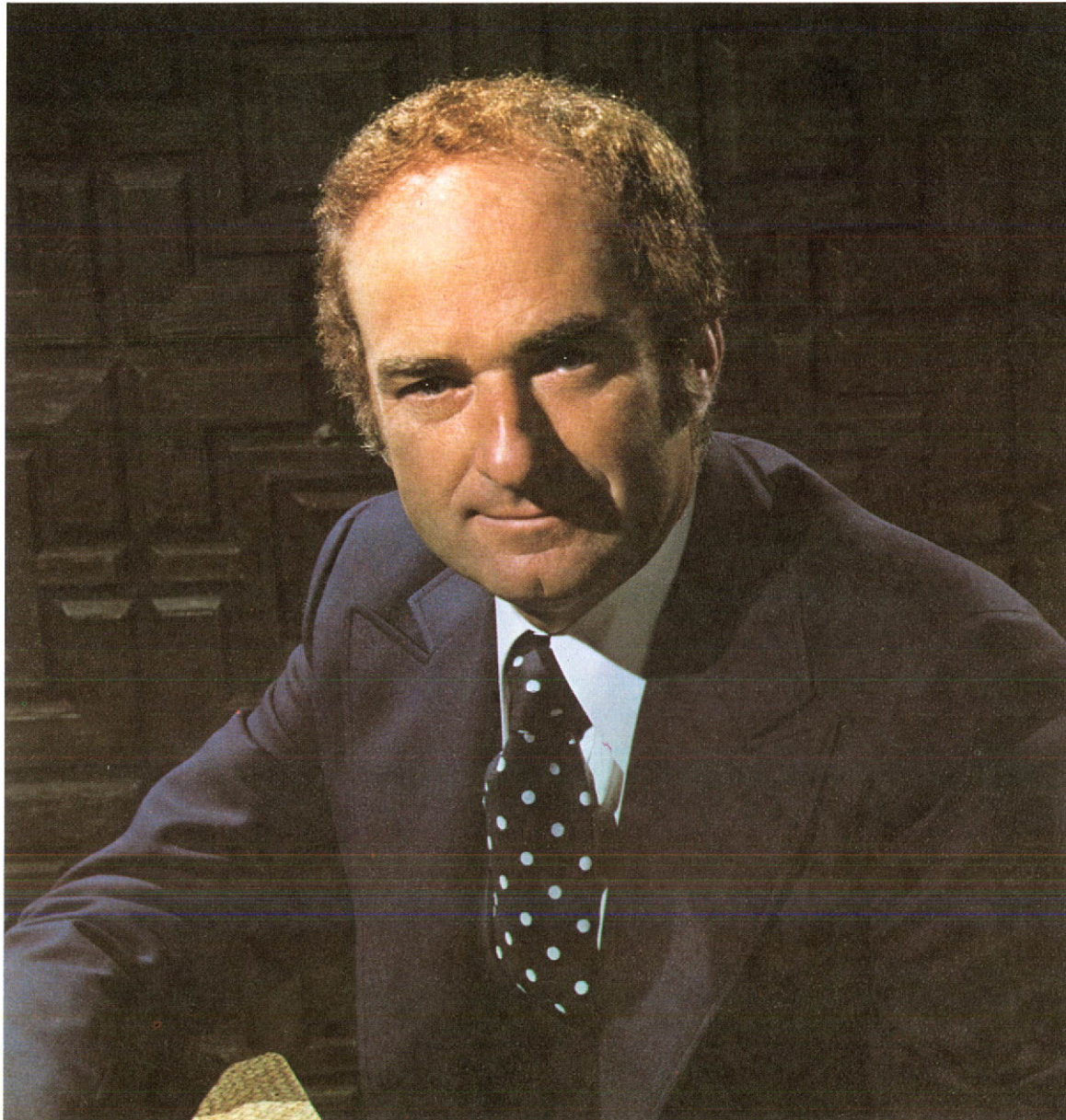
If 1979 was an eventful year for our Bank, 1980 will be doubly so for our country. In May or June we, in Quebec, will be called upon to vote on our future status on Confederation. Let no one be under the illusion that if the referendum gets a "yes" vote it will mean anything but a vote for independence.

On the other hand it must be equally understood that even a "no" vote is only a step in the right direction and not a solution in itself. After all in three by-elections the separatists had approximately 35% of the vote and remain in a strong minority position.

We must see to it that our position in Confederation can be brought to a point that will satisfy a majority of this 35% so that Quebec can be effectively stabilized and find itself a secure place in the Canadian context.

Let us be vigilant, be steadfast and above all take nothing for granted.





For all of us — and for a host of reasons — 1979 has been a very important year. It marked, among other things, an important transition in our evolution. The year now ending has seen us grow into a financial group of stature. Our roots and limbs extend into new, productive and promising fields of activity.

This evolution, of course, is the acquisition of Credit Foncier Franco-Canadien. With this move, we make a very positive step beyond our traditional boundaries. It is in this perspective that we can now talk of our regrouping as a major financial force whose influence radiates throughout the country.

This major step, part of the five-year plan adopted by the management in 1976, begins the fulfillment of two of our most important objectives: to establish a solid cross-Canada presence and substantially enlarge our assets to create a position of strength in the market.

What are the concrete effects? First, at the end of the fiscal year which ended October 31, 1979, the group had 137 branches or business offices in Canada, 15 outside Quebec. Next, the total assets of the group rose to \$3.2 billion. For all practical purposes, the assets tripled in three years, since, at the end of 1976, they stood at \$1.1 billion. For the whole of the group which we constitute, the growth in assets continues to be oriented largely toward mortgage loans.

On the other hand, we are now assured of a better geographic representation and greater portfolio diversification. Mortgage loans in the residential sector still represent the major part of our portfolio, but loans for commercial and industrial properties today reach a proportion of almost 30 per cent of all our mortgage investments. As a result of our new association, our group becomes one of the most important mortgage lenders in Canada.

As of October 31, 1979, personal and other loans reached \$192 million whereas mortgage loans stood at \$166 million. They represent



respectively 5.9% and 5.1% of total assets. Furthermore, the group still retains an important portfolio of securities to assure its financial stability. The portfolio of transferable securities totalled \$456 million, or 14% of our assets, while our cash assets stood at \$250 million.

The growth prospects for assets, income and profits remain promising. As an indication, combined revenues of the group for the 12 months ending October 31, 1979 were \$290 million, while expenditures were a net \$284 million. The net income after taxes and extraordinary items amounted to \$7.8 million. Worth noting here is the fact that the contribution of Credit Foncier to the profits of the group began January 1, 1979, a period of ten months only.

It is important to underline the fact that the fine overall results that we can be proud of stem directly from the remarkable individual performance of each of the associates in the group.

Now let us go on to a brief examination of the results of each member of our group.

#### **The City & District Savings Bank**

Let us begin by studying the situation of the City & District Savings Bank. As everyone knows, in 1979 the banking industry had to face up to particularly difficult conditions. Despite this, I am happy to report that, at the end of the fiscal period, the assets of the Bank reached \$1.7 billion compared to \$1.4 billion in 1978. This represents an increase of 18%, which is remarkable if we consider that, last year, our increase was 15%.

On the subject of assets, the loans reached \$1 billion, 50 million, a slight rise in the loans/deposits ratio.

Mortgage loans, which represent 52% of our assets, attained a new high of \$875 million. It is, however, in the area of personal and other loans that we discover the strongest rise. They,



in effect, enjoyed an increase of 28% in 1979 to reach \$176 million, slightly more than 10% of total assets. Over three years, the growth of these loans is some 94%. What is more, this remarkable progress occurs in the context of a greater diversification of our assets, something which has the effect of reducing our dependence on mortgage loans and traditional investments.

The acquisition of Credit Foncier modified considerably the make-up of our securities portfolio this year. This \$123 million transaction, begun in December, 1978, culminated with the purchase of all assets of this business in March, 1979. In order to maintain a good balance in the overall composition of the assets, we have sold in the vicinity of \$30 million of securities on the market. This operation implies a certain loss of gains from the viewpoint of income derived from bonds, but it is more than compensated by the dividends that the Bank received from Credit Foncier and, above all, by the fact that these dividends are tax exempt for the Bank. Credit

Foncier has turned over \$6.3 million in dividends to the Bank since January 1, 1979.

In the course of the period now ended, revenue reached \$157 million, compared to \$127 million the year before, an increase of 24%. However, total expenditures went from \$111 million to \$151 million, a rise of 36%. This hefty increase was caused, above all, by the rise in cost of deposits, the interest rate having remained high throughout the year. The financing cost of Credit Foncier shares also contributed in a significant way to the rise in expenditures in the area of interest. These two factors brought about a shrinking of our profit margin and as a consequence, our net income after taxes suffered a decline of 20.7% settling at \$7.3 million.

I will add here a comment which I think very important. As you no doubt know, the yield of the majority of assets of the Bank is not affected terribly much by the evolution of short-term interest rates. Conversely, the cost of our deposits reacts immediately to a hike in interest rates on the market. When interest rates increase, they automatically produce a shrinking of our profit margin. Usually, this situation tends to reverse itself, either because the interest rates decline during the following year or simply cease to rise. During the past two years, we have known a very different situation. Interest rates have been afflicted by an almost continuous growth. Since October, 1977, the Bank rate rose eleven times, representing a total rise of 6%. It is normal that such conditions should diminish the profits of your company. On the other hand, interest rates cannot keep increasing much longer. With the size of the assets we now control, I can assure you that our profits will experience some significant upturns when this series of hikes in the interest rates have been reversed.

Moreover, you will recall that in 1978 we adopted a plan of operation rationalization. It is due to this plan, as well as to the utilisation of management systems based on data processing, that we have achieved important progress in controlling operating costs. This year, the latter rose only by 17% while total revenues progressed 24%.

Finally, the shareholders' equity reached \$58 million, a rise of 34%. This strong increase is explained above all by the income produced by the issue of 600,000 new shares for subscription last Spring.

This share issue which contributes to the maintenance of the debt/equity ratio, was aimed essentially at the financing of the expansion. It can be interpreted as very successful since all the shareholders availed themselves of their subscription rights.

In another field of activity, the City and District Savings Bank also continued to show proof of great dynamism. It pursued its expansion programme in Quebec, opening seven new branches, six of which are in Montreal. The result of the Montreal branch openings surpassed all forecasts, each one of them created more new accounts than we had hoped for. Yet, it is the spectacular breakthroughs which we have achieved in Quebec City and Hull that I most wish to underline today. In Quebec City, our penetration of the mortgage market is a total success: we have approved loans reaching some \$17 million and we already enjoy, I assure you, an enviable reputation. On the Hull side, our affairs took an equally positive turn. Here, we opened our first branch last January 29 and while, at that time, the Savings Bank was very little known, today there are more than 1,500 residents of Hull who entrust their banking business to us and it is a branch displaying constant progress.



It appears equally important to me to talk of a quite different field of activity in which your Bank voluntarily engages itself. Our clientele, as you know, is particularly loyal. Certainly, this state of affairs is due, in very large part, to the excellent service that we give them. But I believe that this also stems from the fact that the Bank concerns itself with all aspects of community life. In the spirit of good citizenship, the Bank discreetly, but in a sustained manner affirms its social presence. It participates tangibly in leisure activities, in amateur sports, in the arts — in all milieus of modern life. More and more, the Bank manifests its acceptance of its important role in society, with all that this implies.

### **Credit Foncier Franco-Canadien**

I will now take a few moments to sketch the progress that our new partner, the Credit Foncier, has experienced during the past ten months.

The results obtained by the Credit Foncier Franco-Canadien are most attractive. Assets have grown by 17%, going from \$1.3 billion to \$1.5 billion. Moreover, mortgage loans, which represent 78% of the assets, went from \$1 billion, 45 million to \$1 billion, 185 million, a rise of 13%. This increase testifies to the competitive capability of our associate on the Canadian market.

For the past ten months, revenues reached \$124 million while expenditures were \$117 million. Net profits after taxes and extraordinary items reached \$8.5 million in 1979. Our new partner evidences a dynamism which augurs well for the future.

### **The Trustees**

Firstborn of our subsidiaries, the Trustees, continued its growth during the past year. While assets were progressing 31% to reach \$176 million, mortgage loans grew by 27% to attain \$112 million. Furthermore, the Trust pursued its penetration in other sectors such as property sales and estate management. Revenues progressed by 32% to reach \$20 million while expenditures increased by 31% to \$18 million. Net profits after other revenues and taxes reached \$861 thousand dollars, a growth of 56%.

The Trust turned over dividends of \$270 thousand to the Bank during the year, which represents \$27 per share.

### **The promising future**

For all members of the group, the future is promising. On the economic side, it seems that the problems that we are now experiencing will be resolved, in part, in the coming year. Interest rates seem to have reached their peak. The downward pressures on interest rates which began recently in the United States enable us to foresee a similar downward movement for us, too, in the months ahead.

On the other hand, the economic conditions in which we are evolving today are not the easiest we've known.

The year ahead lets us foresee profits, but at a moderate pace in relation to those we have known in the past. Despite this, we face the future with optimism, an optimism equally founded on the important strength of resources available to the financial group which we have built and on the diversity of services which it is able to offer.

There is another good reason for our optimism. It arises from the proceedings aimed at revising the Quebec Savings Banks Act. This new law, which should be adopted soon, will open up vast new horizons. I do not wish to bore you by going into the details of the law, but I know you will be interested in knowing those highlights which should help us in pursuing our expansion. If the law is adopted, in future we will be able to finance small business; we will be able to raise the maximum amount of personal loans; we will be able to finance ourselves on the bond market and we will be able to extend our field of banking activities from coast to coast. You can easily visualize the possibilities which will then offer themselves.

Among the projects on which we are working very actively, I will cite only one, but it is a major one. Before next summer, we shall be set to offer commercial loans. This new activity will permit us to depend less on loans at fixed rates. We can then more effectively stabilize the increase of our revenues despite the fluctuations of market rates.

As you will have ascertained by now, our situation is very good and our prospects for the future are equally so. Each of the members of the group — The City and District Savings Bank, Credit Foncier, Trustees — has deployed all its energies and all its efforts to make a success of the fiscal period now ending. And if the sum is sometimes greater than the parts, I believe myself authorized to affirm that the financial group which we form can do nothing else but progress in stature, power and cohesion.

Collectively, we have the financial and technical resources which enable us to see a bright future ahead. But I can tell you that we have more than that. We have a third resource which not only prepares us for a bright, but for a brilliant future.

I wish to speak here of the men and women who, at all levels of each of the associated members of the group, show us, day after day, their dynamism, intelligence, imagination and relentless dedication. I am profoundly convinced that without their enlightened and enthusiastic contribution, our group could not look forward to such a brilliant future.

In analyzing our three great resources — financial, technical and human — I can envision the years to come with the greatest confidence.





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*The Montreal  
City and District  
Savings Bank*

*Consolidated Financial Statements  
as at October 31, 1979*

*The Montreal  
City and District  
Savings Bank*

**Consolidated statement of assets and liabilities**

as at October 31

1979 1978  
(in thousands of dollars)

**Assets**

**Cash resources**

Cash and due from banks	\$ 208,823	\$ 186,385
Cheques and other items in transit, net	41,369	47,275

Total cash resources	<b>250,192</b>	233,660
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**Securities (Note 3)**

Securities issued or guaranteed by Canada	33,579	33,197
Securities issued or guaranteed by a province	129,370	106,803
Other securities	293,000	161,690

Total securities	<b>455,949</b>	301,690
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**Loans**

Mortgages, less provision for losses	2,157,663	829,614
Other loans, less provision for losses	192,127	139,678

Total loans	<b>2,349,790</b>	969,292
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**Sundry assets**

Bank premises (note 4)	165,689	20,258
Other assets	29,157	14,306

Total sundry assets	<b>194,846</b>	34,564
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	<b>\$3,250,777</b>	\$1,539,206
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1979                      1978  
(in thousands of dollars)

**Liabilities**

<b>Deposits</b>		
Deposits by Canada, in Canadian currency	\$ 341	\$ 130
Other deposits, in Canadian currency	2,916,055	1,452,270
Deposits, in currencies other than Canadian	24,025	254
<b>Total deposits</b>	<b>2,940,421</b>	1,452,654
<b>Other liabilities</b>	<b>22,848</b>	13,215
<b>Long-term debt (Note 5)</b>	<b>202,998</b>	—
<b>Accumulated appropriations for losses (Note 6)</b>	<b>23,863</b>	28,006
<b>Shareholders' equity</b>		
Capital stock:		
Authorized 3,000,000 shares of \$1 each		
Issued (Note 7)	2,984	2,399
Rest account (Note 7)	54,449	40,575
Retained earnings	3,214	2,357
<b>Total shareholders' equity</b>	<b>60,647</b>	45,331
	<b>\$3,250,777</b>	\$1,539,206

André Marcil  
Chairman of the Board and Chief Executive Officer

Roger Lavoie  
President and Chief Operating Officer

**Auditors' Report to the Directors**

We have examined the consolidated Statement of Assets and Liabilities of the Montreal City and District Savings Bank as at October 31, 1979 and the consolidated Statements of Revenue and Expenses, 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.

In our opinion, these consolidated financial statements present fairly the financial position of the

Bank as at October 31, 1979 and the results of its operations and the changes in its financial position for the year then ended.

**Auditors:**

MARCEL HURTUBISE, c.a. of Maheu, Noiseux, Roy & Associés  
CHARLES-ALBERT POISSANT, c.a. of Poissant, Richard et Associés affiliated with Thorne Riddell  
Montréal, November 27, 1979

# The Montreal City and District Savings Bank

## Consolidated statement of revenue and expenses

for the financial year ended October 31

1979  
(in thousands of dollars)

1978

### Revenue

Income from loans	\$ 215,922	\$ 97,049
Income from securities	34,658	24,841
Income from deposits with banks	18,943	12,164
Other operating revenue	20,665	7,404
Total revenue	290,188	141,458

### Expenses

Interest on deposits and long-term debt	220,912	86,708
Interest on other liabilities	291	—
Salaries	27,948	19,419
Pension contributions and other staff benefits	3,421	2,174
Property expenses, including depreciation	6,526	5,987
Provision for losses on loans	2,095	1,274
Other operating expenses	22,552	8,956
Total expenses	283,745	124,518

Profit before provision for income taxes and extraordinary items	6,443	16,940
Provision for income taxes (Note 8)	(175)	7,374

Profit before extraordinary items	6,618	9,566
Extraordinary items (Note 9)	1,184	9

Net profit for the year	\$ 7,802	\$ 9,575
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### Per share

Average number of shares outstanding	2,730,149	2,232,040
Profit before extraordinary items	\$ 2.42	\$ 4.29
Net profit for the year	2.86	4.29
Dividends	1.15	1.11



*The Montreal  
City and District  
Savings Bank*

**Consolidated statement of retained earnings**

for the financial year ended October 31

	<b>1979</b>	1978
	(in thousands of dollars)	
Balance at beginning of year	<b>\$ 2,357</b>	\$ 2,250
Net profit for the year	<b>7,802</b>	9,575
	<b>10,159</b>	11,825
Transfer to accumulated appropriations for losses	<b>709</b>	2,914
Dividends	<b>3,236</b>	2,554
Transfer to rest account	<b>3,000</b>	4,000
	<b>6,945</b>	9,468
Balance at end of year	<b>\$ 3,214</b>	\$ 2,357

*The Montreal  
City and District  
Savings Bank*

**Consolidated statement of changes in  
financial position**

for the financial year ended October 31

	1979	1978
	(in thousands of dollars)	
<b>Source of funds</b>		
<b>Funds provided from operations:</b>		
Profit before extraordinary items	\$ 6,618	\$ 9,566
Items not requiring an outlay of funds	9,131	3,762
	<b>15,749</b>	<b>13,328</b>
<b>Other items providing funds:</b>		
Increase in deposit liabilities	487,331	193,856
Decrease (increase) in cash resources	7,365	(41,599)
Increase in long-term debt	26,082	—
Issue of common shares	11,459	5,474
	<b>\$ 547,986</b>	<b>\$ 171,059</b>
<b>Use of funds</b>		
Increase in investment in securities	\$ 64,470	\$ 43,976
Increase in investment in loans	333,755	115,638
Increase in bank premises	6,909	3,122
Increase in other assets	2,090	13,323
Decrease (increase) in other liabilities	14,864	(7,554)
Net assets acquired in Crédit Foncier Franco-Canadien	122,662	—
Dividends	3,236	2,554
	<b>\$ 547,986</b>	<b>\$ 171,059</b>

**Notes to consolidated financial statements**

as at October 31, 1979

**1. Accounting policies**

a) Consolidation

The 1979 financial statements include the accounts of the Bank's wholly-owned subsidiaries:

Crédit Foncier Franco-Canadien

Fiduciaires de la Cité et du District de Montréal Limitée

The 1978 comparative consolidated financial statements include only the amounts of the wholly-owned subsidiary at that date, Fiduciaires de la Cité et du District de Montréal Limitée.

The acquisition of Crédit Foncier Franco-Canadien has been accounted for by the purchase method and operating results have been included from the effective date of acquisition, January 1, 1979, being for a ten month period.

b) Rate of exchange

Accounts in foreign currencies are translated at the exchange rate prevailing as at the date of the Statement of Assets and Liabilities or as determined in Canadian dollars by forward exchange contracts.

c) Securities

The valuation of the Bank's securities is governed by the Quebec Savings Bank Act, whereas those of its subsidiaries are established in accordance with generally accepted accounting principles.

Bases of valuation:

	<b>City and District Savings Bank</b>	<b>Subsidiaries</b>
Securities issued or guaranteed by Canada or a province	Amortized cost	Amortized cost
Shares	At the lower of cost or market value	Cost
Other	At the lower of cost or market value	Amortized cost

Profits and losses on disposal of securities and the provisions required to adjust other securities to values not exceeding market are recorded in the Statement of Accumulated Appropriations for Losses in the case of the Bank's investment account, as established by the regulations of the Minister of Finance of Canada. All other profits and losses on disposal of securities are recorded in the Statement of Revenue and Expenses.

d) Bank premises

Bank premises are valued at cost less accumulated depreciation.

Depreciation of real estate (properties held for rental) is computed according to the sinking fund method.

Under this method, depreciation recorded is equal to an annual amount increasing at the rate of 5% compounded annually, which is sufficient to write off the cost of real estate over its estimated useful life.

Office premises and other fixed assets are depreciated on the declining balance basis except for leasehold improvements which are depreciated on the straight line basis.

The profit on disposal of real estate is recognized in relation with payments received and the unamortized portion is included under the heading of other liabilities.

e) Deferred income taxes

Deferred income taxes arise from claiming certain items for tax purposes in amounts differing from amounts recorded in the accounts.

f) Appropriations for losses

In accordance with the Quebec Savings Bank Act and the regulations issued under the authority of the Minister of Finance of Canada, appropriations for losses are established from the Bank's unconsolidated financial data in order to provide for possible unforeseen losses on loans, securities and other assets.

## 2. Acquisition

During the period, the City and District Savings Bank purchased all the outstanding capital stock of Crédit Foncier Franco-Canadien. The acquisition equation is as follows:

<b>Net assets acquired at estimated fair value</b>	(in thousands of dollars)
Cash resources	\$ 23,897
Securities	97,444
Mortgages	1,047,572
Premises	141,224
Other assets	12,277
	<u>1,322,414</u>
Liabilities	1,199,752
Net assets acquired (Book value: \$94,772)	<u>\$ 122,662</u>
Cash consideration	\$ 123,142
Less: interest earned on disbursements made after the effective date of acquisition and deducted from the net profit for the year	480
	<u>\$ 122,662</u>

## 3. Securities

	1979		1978	
	Stated value	Market value	Stated value	Market value
Securities issued or guaranteed by Canada	\$ 33,579	\$ 29,286	\$ 33,197	\$ 29,367
Securities issued or guaranteed by a province	<u>129,370</u>	<u>117,539</u>	106,803	100,772
	<u>162,949</u>	<u>146,825</u>	140,000	130,139
Other securities				
Shares	82,333	83,529	26,273	26,264
Other	<u>210,667</u>	<u>208,413</u>	135,417	135,083
	<u>293,000</u>	<u>291,942</u>	161,690	161,347
	<u>\$ 455,949</u>	<u>\$ 438,767</u>	\$ 301,690	\$ 291,486

## 4. Bank premises

	Cost	Accumulated depreciation	Net value	
			1979	1978
			(in thousands of dollars)	
Real estate	\$ 133,231	\$ 857	\$ 132,374	—
Office premises				
— Land	7,023	—	7,023	\$ 4,196
— Buildings	31,072	11,795	19,277	8,984
	<u>171,326</u>	<u>12,652</u>	<u>158,674</u>	13,180
Other	17,100	10,085	7,015	7,078
	<u>\$ 188,426</u>	<u>\$ 22,737</u>	<u>\$ 165,689</u>	\$ 20,258

Depreciation charged to operations in 1979 amounted to \$3,933 compared with \$2,790 in 1978.

### 5. Long-term debt

	1979 (in thousands of dollars)	1978
Mortgages	<b>\$ 24,903</b>	—
Bonds subject to trust deeds		
Maturity		
1980	<b>2,701</b>	—
1981	<b>56,366</b>	—
1982	<b>32,900</b>	—
1983	<b>5,999</b>	—
1984	<b>46,887</b>	—
1985	<b>6,000</b>	—
1987	<b>19,947</b>	—
	<b>170,800</b>	—
Accrued interest	<b>7,295</b>	—
	<b>\$ 202,998</b>	—

### 6. Accumulated appropriations for losses

	1979 (in thousands of dollars)	1978
Accumulated appropriations at beginning of year:		
General	<b>\$ 9,627</b>	\$ 9,808
Tax paid	<b>18,379</b>	13,361
	<b>28,006</b>	23,169
Add:		
Transfer from retained earnings, net	<b>709</b>	2,914
Other profits, losses and non-recurring items, net	<b>1,887</b>	932
Provision for income taxes, including a credit of \$2,500 (1978: \$892) relating to transfer from current year	<b>1,283</b>	505
	<b>31,885</b>	27,520
Deduct:		
Profits and losses on securities, including provisions to reduce securities other than those of Canada and provinces to values not exceeding market	<b>7,753</b>	(519)
Loss experience on loans less provision included in the Statement of Revenue and Expenses	<b>269</b>	33
Accumulated appropriations at end of year:	<b>\$ 23,863</b>	\$ 28,006
General	<b>\$ 7,497</b>	\$ 9,627
Tax paid	<b>16,366</b>	18,379
	<b>\$ 23,863</b>	\$ 28,006

## 7. Capital Stock and Rest Account

During the year, 600,000 shares were issued pursuant to a rights offering. As a result of the additional shares issued, Capital Stock and Rest Account have changed as follows:

	Capital stock		Rest account	
	Number of shares Issued and fully paid	Partly paid		
	(in thousands of dollars)			
Balance as at October 31, 1978	2,397	3	\$ 2,399	\$ 40,575
Proceeds from issue				
1978:	3	(3)	1	13
1979:				
Fully paid	546		546	10,136
Partly paid		54	38	725
Transfer from retained earnings				3,000
Balance as at October 31, 1979	<u>2,946</u>	<u>54</u>	<u>\$ 2,984</u>	<u>\$ 54,449</u>

## 8. Provision for income taxes

A part of the Bank's income from securities being from tax-exempt investments, the provision for income taxes shown in the Consolidated Statement of Revenue and Expenses is less than that obtained by applying statutory tax rates to the profit before provision for income taxes.

## 9. Extraordinary items

	1979	1978
	(in thousands of dollars)	
Profit on disposal of Securities	\$ 1,086	\$ 12
Profit on disposal of real estate	591	—
	<u>1,677</u>	<u>12</u>
Less income taxes	493	3
	<u>\$ 1,184</u>	<u>\$ 9</u>

## 10. Remuneration of Directors and Senior officers of the Bank

The aggregate direct remuneration paid or payable by the Bank and its subsidiaries to the directors and the senior officers of the Bank is as follows:

1979	1978
(in thousands of dollars)	
\$819	\$799







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*The Montreal  
City and District  
Savings Bank*

***Financial Statements***

as at October 31, 1979

The financial statements of the Montreal City and District Savings Bank are presented hereafter in the form prescribed by the Quebec Savings Bank Act.

# The Montreal City and District Savings Bank

## Statement of assets and liabilities

as at October 31

1979

1978

### Assets

#### Cash resources

Cash and due from banks	\$ 190,473,002	\$ 184,914,530
Cheques and other items in transit, net	46,597,359	50,847,636

Total cash resources	<b>237,070,361</b>	235,762,166
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#### Securities

Securities issued or guaranteed by Canada, at amortized value	<b>31,084,382</b>	32,698,411
Securities issued or guaranteed by provinces, at amortized value	<b>103,367,449</b>	95,301,116
Other securities, not exceeding market value	<b>221,903,119</b>	139,729,164

Total securities	<b>356,354,950</b>	267,728,691
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#### Loans

Mortgages, less provision for losses	<b>874,756,503</b>	741,617,175
Other loans, less provision for losses	<b>175,833,967</b>	137,842,202

Total loans	<b>1,050,590,470</b>	879,459,377
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#### Sundry assets

Bank premises at cost, less amounts written off	<b>19,798,933</b>	19,947,414
Other assets	<b>11,511,657</b>	12,639,944

Total sundry assets	<b>31,310,590</b>	32,587,358
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	<b>\$1,675,326,371</b>	\$1,415,537,592
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	1979	1978
<b>Liabilities</b>		
<b>Deposits</b>		
Deposits by Canada, in Canadian currency	\$ 340,968	\$ 130,090
Other deposits in Canadian currency	1,584,887,887	1,331,493,723
Deposits in currencies other than Canadian	743,737	302,999
Total deposits	1,585,972,592	1,331,926,812
<b>Other liabilities</b>	<b>7,493,435</b>	12,403,937
<b>Accumulated appropriations for losses</b>	<b>23,863,505</b>	28,006,226
<b>Shareholders' equity</b>		
Capital stock:		
Authorized: 3,000,000 shares of \$1 each issued (Note 3)	2,983,647	2,398,996
Rest account (Note 3)	54,449,299	40,574,955
Undivided profits	563,893	226,666
Total shareholders' equity	57,996,839	43,200,617
	<b>\$1,675,326,371</b>	<b>\$1,415,537,592</b>

André Marcil  
Chairman of the Board  
and Chief Executive Officer

Roger Lavoie  
President  
and Chief Operating Officer

**Auditors' Report to the Shareholders**

We have examined the Statement of Assets and Liabilities of the Montreal City and District Savings Bank as at October 31, 1979 and the Statement of Revenue, Expenses and Undivided Profits, the Statement of Accumulated Appropriations for Losses and the Statement of 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.

In our opinion, these financial statements present fairly the financial position of the Bank as at

October 31, 1979 and its revenue, expenses and undivided profits, accumulated appropriations for losses and changes in financial position for the year then ended.

Auditors:

MARCEL HURTUBISE, c.a. of Maheu, Noiseux, Roy & Associés

CHARLES-ALBERT POISSANT, c.a. of Poissant, Richard et Associés affiliated with Thorne Riddell

Montréal, November 27, 1979

# The Montreal City and District Savings Bank

## Statement of revenue, expenses and undivided profits

for the financial year ended October 31

1979

1978

### Revenue

Income from loans	<b>\$105,125,889</b>	\$ 87,964,313
Income from securities	<b>28,711,124</b>	21,835,166
Other operating revenue	<b>23,432,308</b>	17,383,614
Total revenue	<b>157,269,321</b>	127,183,093

### Expenses

Interest on deposits	<b>110,515,749</b>	76,412,513
Salaries, pension contributions and other staff benefits	<b>23,049,567</b>	19,918,233
Property expenses, including depreciation	<b>6,442,637</b>	5,917,503
Other operating expenses, including provision for losses on loans based on five-year average loss experience	<b>10,873,323</b>	8,799,216
Total expenses	<b>150,881,276</b>	111,047,465
Balance of revenue	<b>6,388,045</b>	16,135,628
Provision for income taxes relating thereto (Note 2)	<b>(910,383)</b>	6,928,764
Balance of revenue after provision for income taxes	<b>7,298,428</b>	9,206,864
Appropriation for losses	<b>2,708,754</b>	4,413,950
Net profits for the year	<b>4,589,674</b>	4,792,914
Dividends	<b>3,252,447</b>	2,554,260
Amount carried forward	<b>1,337,227</b>	2,238,654

### Undivided profits

Balance at beginning of year	<b>226,666</b>	488,012
Transfer from accumulated appropriations for losses	<b>2,000,000</b>	1,500,000
Total	<b>3,563,893</b>	4,226,666
Transferred to Rest account	<b>3,000,000</b>	4,000,000
Balance at end of year	<b>\$ 563,893</b>	\$ 226,666

*The Montreal  
City and District  
Savings Bank*

**Statement of accumulated appropriations for losses**

for the financial year ended October 31

	1979	1978
Accumulated appropriations at beginning of year:		
General	<b>\$ 9,627,230</b>	\$ 9,807,703
Tax paid	<b>18,378,996</b>	13,361,077
	<b>28,006,226</b>	23,168,780
Add:		
Appropriation from current year's operations	<b>2,708,754</b>	4,413,950
Other profits, losses and non-recurring items, net	<b>1,887,561</b>	932,393
Provision for income taxes, including credit of \$2,500,389 (1978: \$892,293) relating to appropriation from current year's operations (note 2)	<b>1,283,214</b>	504,755
	<b>33,885,755</b>	29,019,878
Deduct:		
Profits and losses on securities, including provisions to reduce securities other than those of Canada and provinces to values not exceeding market	<b>7,753,030</b>	(518,921)
Loss experience on loans less provision included in other operating expenses	<b>269,220</b>	32,573
Transferred to undivided profits	<b>2,000,000</b>	1,500,000
Accumulated appropriations at end of year:	<b>\$23,863,505</b>	\$28,006,226
General	<b>\$ 7,496,987</b>	\$ 9,627,230
Tax paid	<b>16,366,518</b>	18,378,996
	<b>\$23,863,505</b>	\$28,006,226

# The Montreal City and District Savings Bank

## Statement of changes in financial position

for the financial year ended October 31

	1979	1978
<b>Source of funds</b>		
<b>Funds provided from operations:</b>		
Balance of revenue after provision for income taxes	\$ 7,298,428	\$ 9,206,864
Items not requiring an outlay of funds	5,598,474	3,414,285
	<b>12,896,902</b>	12,621,149
<b>Other items providing funds:</b>		
Increase in deposit liabilities	254,045,780	162,153,979
Issue of common shares	11,458,995	5,473,951
Decrease (increase) in other assets	1,612,946	(11,771,681)
	<b>\$280,014,623</b>	\$168,477,398
<b>Use of funds</b>		
Increase in cash resources	\$ 1,308,195	\$ 40,274,558
Increase in investment in securities	96,640,963	28,852,742
Increase in investment in loans	171,465,742	101,163,718
Increase in bank premises	2,265,872	3,046,637
Decrease (increase) in other liabilities	5,081,404	(7,414,517)
Dividends	3,252,447	2,554,260
	<b>\$280,014,623</b>	\$168,477,398

# The Montreal City and District Savings Bank

## Notes to financial statements

as at October 31, 1979

### 1. Significant Accounting Policies

The Quebec Savings Bank Act and the Regulations issued under the authority of the Minister of Finance of Canada prescribe the form and content of the financial statements issued by the Bank. The significant accounting policies are as follows:

#### a) Securities

Securities issued or guaranteed by Canada and provinces are stated at amortized cost. Other securities are stated at the lower of cost or market values.

Profits and losses on disposals and the necessary provisions to adjust the other securities to an amount not exceeding market value are recorded in the Statement of Accumulated Appropriations for Losses in the case of the investment account and in the Statement of Revenue and Expenses in the case of the trading account.

#### b) Wholly-owned subsidiaries

The investments in shares of the wholly-owned subsidiaries are stated at cost and included in the Statement of Assets and Liabilities under the heading of other securities.

#### c) Bank premises

Depreciation on bank premises is computed by the declining balance basis for buildings and equipment while the straight-line basis is used for leasehold improvements.

#### d) Appropriations for losses

The Bank establishes a provision for losses on loans based on a five-year average loss experience and charges it to the Statement of Revenue and Expenses. In addition the Bank may set up an appropriation for losses out of the balance of revenue after provision for income taxes in order to provide for possible unforeseen future losses on loans, securities and other assets.

### 2. Provision for Income Taxes

Provision for income taxes consists of the following:

	1979	1978
Statement of Revenue, Expenses and Undivided profits	\$ (910,383)	\$6,928,764
Statement of Accumulated Appropriations for Losses	(1,283,214)	(504,755)
Net provision for income taxes	<u>\$ (2,193,597)</u>	<u>\$6,424,009</u>

A part of the Bank's income from securities being from tax-exempt investments, the provision for income taxes shown in the Statement of Revenue, Expenses and Undivided profits is less than that obtained by applying statutory tax rates to the balance of revenue.

### 3. Capital Stock and Rest Account

During the year, 600,000 shares were issued pursuant to a rights offering. As a result of the additional shares issued, Capital Stock and Rest Account have changed as follows:

	Capital stock		Rest account	
	Number of shares Issued and fully paid	Partly paid		
Balance as at October 31, 1978	2,396,650	3,350	\$ 2,398,996	\$ 40,574,955
Proceeds from issue of 1978:	3,350	(3,350)	1,004	13,045
1979:				
Fully paid	545,491		545,491	10,136,329
Partly paid		54,509	38,156	724,970
Transfer from Undivided profits				3,000,000
Balance as at October 31, 1979	<u>2,945,491</u>	<u>54,509</u>	<u>\$ 2,983,647</u>	<u>\$ 54,449,299</u>

### 4. Wholly-owned Subsidiaries

	1979	1978
Investments in shares, at cost:		
Crédit Foncier Franco-Canadien	\$123,141,909	—
Fiduciaires de la Cité et du District de Montréal Limitée	4,850,000	\$ 3,205,000
	<u>\$127,991,909</u>	<u>\$ 3,205,000</u>

### 5. Comparative figures

Certain of the preceding year figures have been reclassified to conform with the current year financial statement presentation.



*The Montreal  
City and District  
Savings Bank's subsidiaries*

3

The Niagara peninsula. Southern Ontario,  
a fertile fruit-farming region dominated  
by the majesty of Niagara Falls.



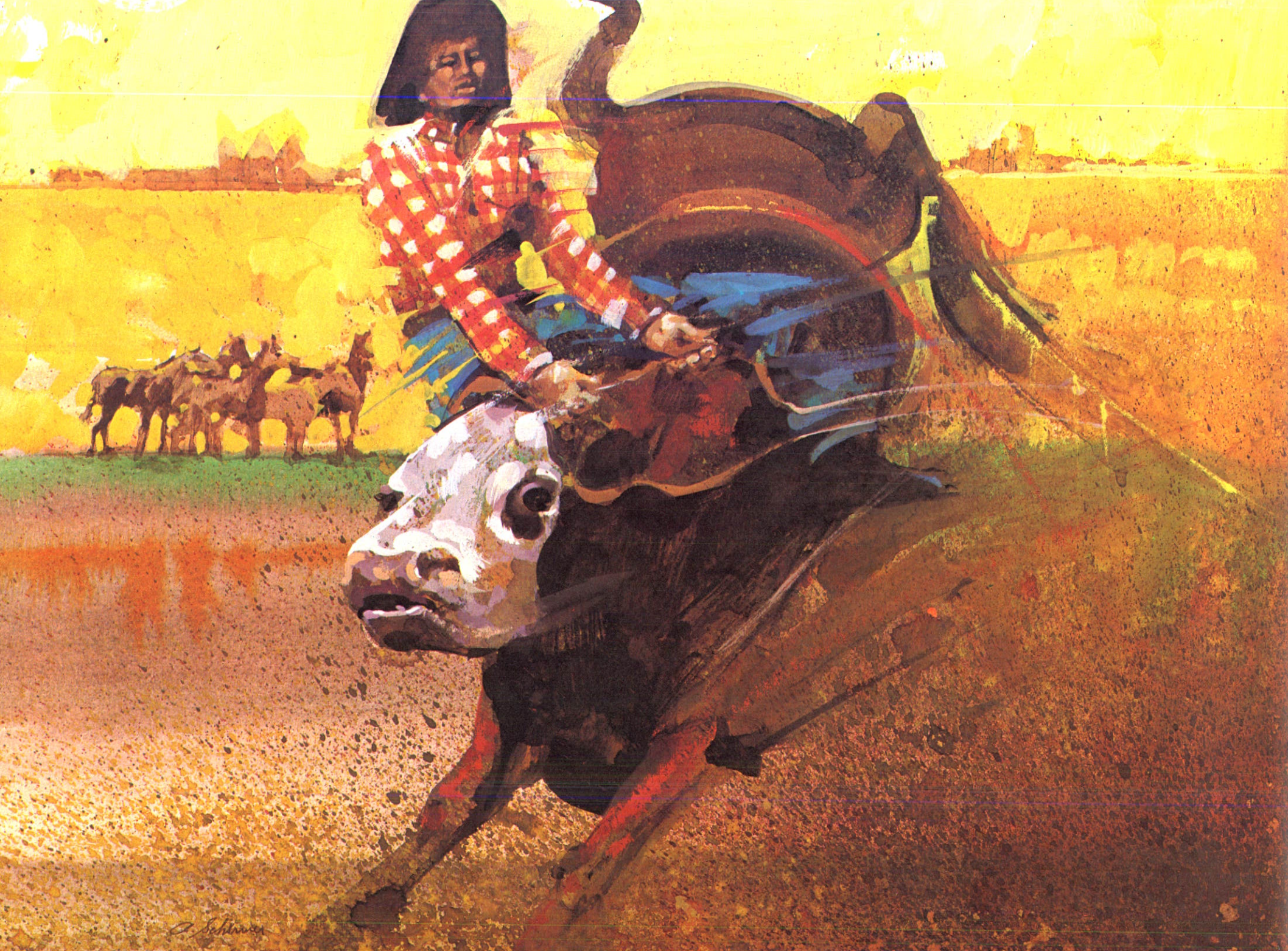
# Crédit Foncier Franco-Canadien

## Consolidated balance sheet as at

	October 31, 1979	December 31, 1978
<b>Assets</b>		
Cash and deposits	\$ 41,900,000	\$ 49,229,000
Bonds	86,799,000	28,323,000
Stocks	61,434,000	42,204,000
Mortgages	1,184,956,000	1,045,334,000
Real estate	121,574,000	116,426,000
Office premises	6,762,000	6,873,000
Other assets	9,527,000	5,678,000
	<b>\$ 1,512,952,000</b>	<b>\$ 1,294,067,000</b>
<b>Liabilities</b>		
Short term notes	\$ 151,116,000	\$ 84,855,000
Debentures and guaranteed investment certificates	1,222,419,000	1,066,348,000
Bank loans of subsidiaries	—	6,530,000
Mortgages payable by subsidiaries	26,228,000	27,418,000
Income taxes	269,000	668,000
Other liabilities	2,573,000	3,130,000
Deferred income	4,972,000	2,181,000
Deferred income taxes	8,738,000	8,165,000
Shareholders' equity	96,637,000	94,772,000
	<b>\$ 1,512,952,000</b>	<b>\$ 1,294,067,000</b>

## Consolidated statement of revenue and expenses for

	Ten months ended October 31, 1979	Twelve months ended December 31, 1978
<b>Revenue</b>		
Interest	\$ 107,281,000	\$ 113,062,000
Dividends	2,720,000	2,618,000
Office premises and real estate revenue	13,155,000	12,583,000
Other	567,000	654,000
	<b>123,723,000</b>	<b>128,917,000</b>
<b>Expenses</b>		
Interest	97,426,000	97,605,000
Office premises and real estate expenses	6,993,000	7,276,000
Salaries and staff benefits	6,245,000	6,391,000
Other operating expenses	6,505,000	6,576,000
	<b>117,169,000</b>	<b>117,848,000</b>
Profit before income taxes	6,554,000	11,069,000
Income taxes	684,000	3,159,000
Net operating profit	5,870,000	7,910,000
Extraordinary items	2,633,000	3,422,000
Net profit for the year	<b>\$ 8,503,000</b>	<b>\$ 11,332,000</b>
Profit per share	<b>\$ 9.77</b>	<b>\$ 13.03</b>



*A. Schmitt*

# Fiduciaires de la Cité et du District de Montréal Limitée

## Balance sheet

as at October 31

	1979	1978
<b>Assets</b>		
Cash and term deposits	\$ 1,199,802	\$ 3,852,254
Securities	56,508,139	38,599,688
Loans and advances	114,242,993	89,833,093
Other assets	3,668,269	1,978,971
	<b>\$ 175,619,203</b>	<b>\$ 134,264,006</b>
<b>Liabilities</b>		
Guaranteed deposits	\$ 166,918,733	\$ 128,122,345
Other liabilities	1,130,094	806,966
Shareholders' equity	7,570,376	5,334,695
	<b>\$ 175,619,203</b>	<b>\$ 134,264,006</b>

## Statement of income

for the year ended October 31

	1979	1978
<b>Revenue</b>		
Interest from loans and advances	\$ 11,329,033	\$ 9,084,979
Interest, dividends and other revenue from securities	5,956,873	3,581,196
Fees and commissions	2,448,141	2,328,929
	<b>19,734,047</b>	<b>14,995,104</b>
<b>Expenses</b>		
Interest	14,480,292	10,686,274
Salaries, pension contributions and other staff benefits	2,074,884	1,709,442
Commissions and other operating expenses	1,843,916	1,612,124
	<b>18,399,092</b>	<b>14,007,840</b>
Income before income taxes	1,334,955	987,264
Income taxes	549,750	445,297
Net operating income	785,205	541,967
Other revenue	75,476	9,058
Net income	<b>\$ 860,681</b>	<b>\$ 551,025</b>
Earnings per share	<b>\$ 86.07</b>	<b>\$ 72.02</b>



Alberta, with its vast oil fields and natural gas reserves, vital for the energy needs of today and tomorrow.

## Proceedings of the annual general meeting

The One Hundred and Thirty-Third Annual General Meeting of the Shareholders was held at the Château Champlain Hotel, Place du Canada, Montreal, on Friday, December 14, 1979, at 11:30 a.m.

In accordance with the by-laws of the Bank, Mr. André Marcil, Chairman of the Board and Chief Executive Officer of the Bank, took the chair, and Mr. Camille Antaki, Secretary of the Bank, acted as secretary of the Meeting.

After welcoming the Shareholders, the Chairman appointed Messrs. Lucien Leclair and Pierre Jean to act as Scrutineers.

The Secretary read the notice calling the Meeting. The said notice having been found satisfactory, the Chairman declared the Meeting regularly called and constituted.

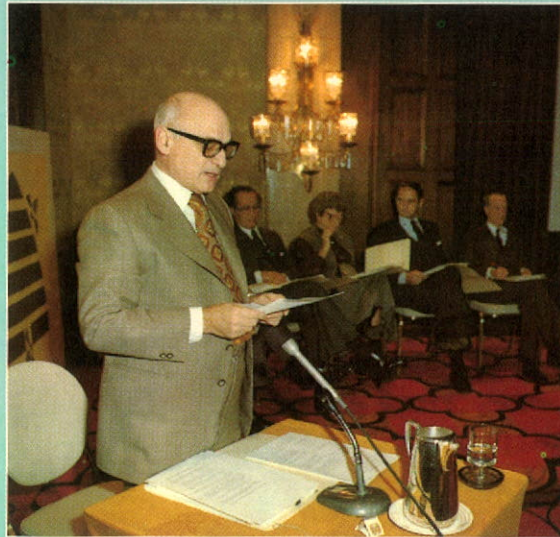
On motion by Me Pauline Cazalais, seconded by Mr. Bernard Maître, the minutes of the last Annual General Meeting of Shareholders were taken as read and unanimously approved.

As Chairman of the Board and Chief Executive Officer of the Bank, the Chairman made an address, the full text of which can be found on page 2.

The Scrutineers reported that 207,462 shares were present and 1,143,128 were represented by proxy at the Meeting, for a total of 1,350,590 shares having the right to vote.

The Chairman then referred to the Financial Statements of which a copy had been mailed to all Shareholders and a further copy given this day to the Shareholders present at this Meeting. The said Financial Statements are divided into two parts, concerning, respectively, the Bank and the Bank and its subsidiaries on a consolidated basis, each part being covered by an Auditors' Report.

The Chairman proposed that formal reading be made by the Secretary of the Auditors' Reports only, in which proposal the Meeting concurred. The Secretary read the Auditors' Reports.





The Chairman then asked Mr. Roger Lavoie, President and Chief Operating Officer of the Bank, to comment on the Financial Statements submitted at the Meeting and on the operations of the Bank.

Mr. Lavoie made his comments, the full text of which can be found on page 6.

It was then moved by Mr. André Marcil, seconded by Mr. Roger Lavoie, that the Report of the Directors, the Financial Statements for the year ended October 31, 1979 and the Auditors' Reports be adopted. Before proceeding with the vote, the Chairman invited comments from the Shareholders. As no such comments were made, the vote was taken and the motion was carried unanimously.

On motion by Me André Drouin, seconded by Mr. Robert Benoît, it was unanimously resolved that Messrs. Vianney Forget, C.A. and Charles-Albert Poissant, C.A. be appointed Auditors for the ensuing year and that their remuneration be set at a total amount of \$70,000 to be divided between them according to the time devoted by each to the affairs of the Bank.

Mr. Roger Chiniara nominated the following persons as Directors for the ensuing year: Messrs. Guy A. Beaudin, Claude Castonguay, Robert Gratton, Michael B. Harding, Roger Lavoie, Mrs. Josette D. Leman, Messrs. Pierre H. Lessard, André Marcil, Morgan McCammon, Philippe Roberge, Marcellin Tremblay and Mrs. Jeannine Guillevin-Wood.



The Chairman enquired from the Shareholders whether there were any further nominations. There being no other nominations, he declared the nominations closed.

With the consent of the Shareholders, the Chairman asked the Secretary to cast one ballot, that sole ballot to be considered as the unanimous vote of the Meeting. The Scrutineers reported that the above-nominated persons had received the unanimous vote of the Shareholders and the Chairman declared them elected as Directors of the Bank for the ensuing year.

The Chairman submitted to the Shareholders a By-Law of the Bank increasing the authorized capital stock of the Bank from 3,000,000 shares to 8,000,000 shares.

The Secretary read the text of the By-Law, and on motion duly made by Mr. Réjean Gagné, seconded by Mr. Claude Guy, By-Law "E" was unanimously confirmed and adopted in the form submitted to the Meeting.

The Chairman submitted to the Shareholders a By-Law of the Bank providing that the Annual General Meeting of the Shareholders be held on the second Friday of January of each year.

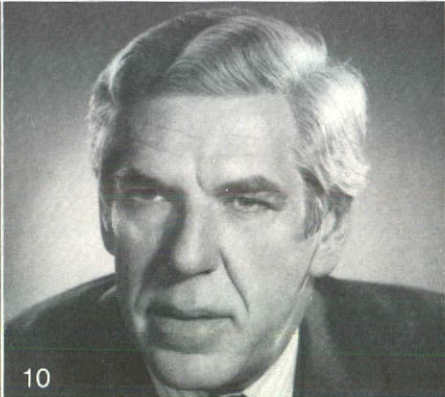
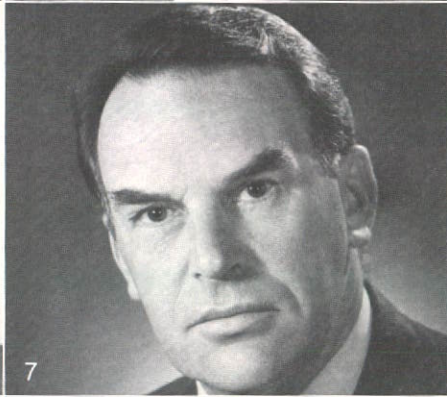
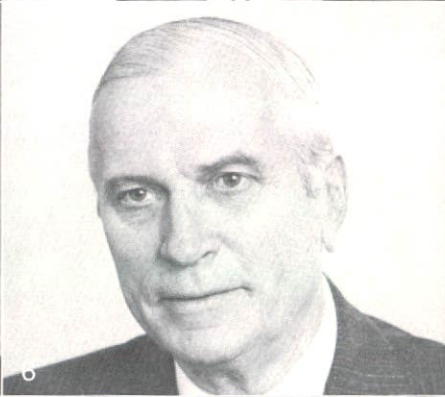
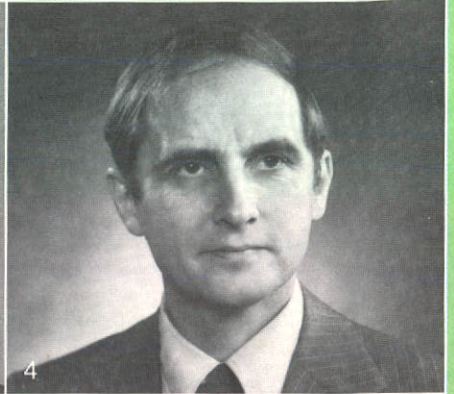
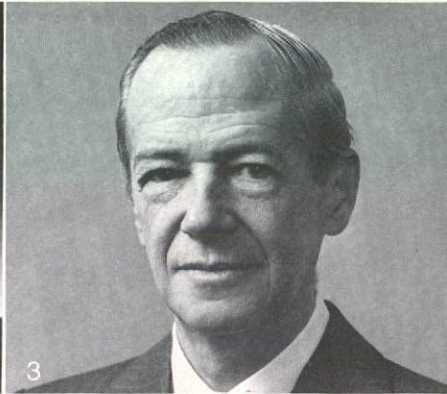
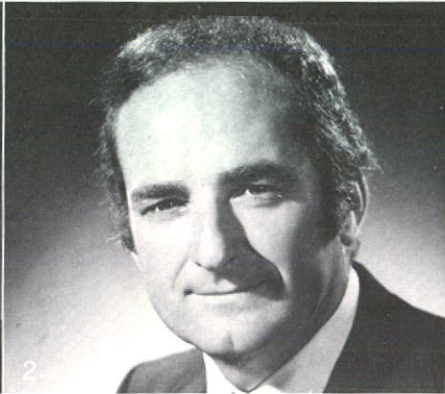
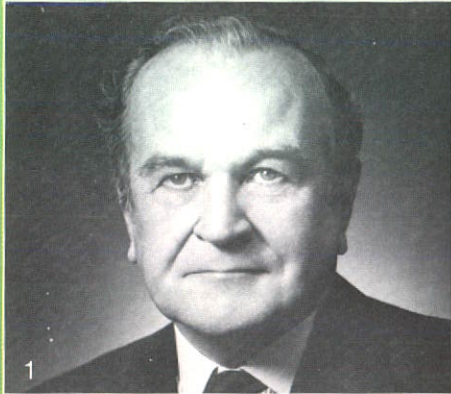
The Secretary read the text of the By-Law, and it was then moved by Mr. Yves Lefebvre, seconded by Mr. Guy Pépin, that By-Law "O" be confirmed and adopted in the form submitted to the Meeting. The Motion was carried unanimously.

The Chairman asked Mr. Noé Delorme, General Manager and Chief Operating Officer of the Montreal City and District Trustees Limited, a fully-owned subsidiary of the Bank, to comment on the operations of the subsidiary.

The Chairman enquired whether any other business should be brought up for consideration of the Meeting. No such business having been raised, Mr. Gilles Brunel rose and said: "On behalf of the Meeting, I wish to tender thanks to the Chairman of the Board, the Directors, the President and Chief Operating Officer, the other Officers of the Bank and all the members of the Staff for the results achieved during the last financial period and for their careful attention to the interests of the Bank."

The Meeting was then terminated.

At a Meeting of the Board of Directors, held immediately after the Shareholders' meeting, Mr. André Marcil was elected Chairman of the Board and Chief Executive Officer of the Bank and Mr. Roger Lavoie was elected President and Chief Operating Officer of the Bank.



# *The Montreal City and District Savings Bank*

## *Board of directors*

- 1 \*André Marcil  
Chairman of the Board  
and Chief Executive Officer
- 2 \*Roger Lavoie  
President and Chief Operating Officer
- 3 Louis J.-M. Gravel
- 4 \*Michael B. Harding
- 5 \*Philippe Roberge
- 6 Jacques R. Nadeau
- 7 Morgan McCammon
- 8 Jeannine Guillevin Wood
- 9 \*Marcellin Tremblay
- 10 \*Claude Castonguay
- 11 Josette D. Leman
- 12 Pierre H. Lessard

\*Member of the Executive Committee

HEAD OFFICE: 266 St-Jacques Street,  
Montréal H2Y 1N2

## *Executive officers of the bank*

André Marcil  
Chairman of the Board  
and Chief Executive Officer

Roger Lavoie  
President and Chief Operating Officer

Lionel Collin  
Deputy General Manager

Roland Brien  
Assistant General Manager

Jacques Ethier  
Assistant General Manager

Jacques Julien  
Assistant General Manager

René Delisle  
Assistant General Manager

Gilles Lavigne  
Assistant General Manager

Camille Antaki  
Secretary



British Columbia, land of the great outdoors,  
with its rich and valuable forestry resources.

*A. Selinger*

# Departments and branches of the bank

<b>Chief Accountant</b>	Jacques Parent	<b>Branches</b>	<b>Managers</b>	1551 Ontario Street	Lucien Deslauriers
<b>Regional Manager</b>	Bert Bednarchuk	<b>Montreal</b>		3720 Ontario Street	Yvon Choquet
<b>District Managers</b>	Gilles Beausoleil André Danis Yvon Labrecque Marcel Lauzon	400 Beaubien Street E. 3160 Beaubien Street E. 4945 Beaubien Street E. 6593 Beaubien Street E. 1101 Bélanger Street E. 4155 Bélanger Street E. 290 Chabanel Street W. 1100 Condé Street 5199 Côte des Neiges Rd. 5990 Côte des Neiges Rd. 6140 Côte St. Luc Rd. 3830 Dandurand Street 6225 Darlington Avenue 5159 Décarie Blvd. 6290 Décarie Blvd. 1493 De LaSalle Avenue 6500 De Lorimier Avenue 2490 De Salaberry Street 5180 De Salaberry Street 885 Fleury Street E. 1780 Fleury Street E. 2200 Fleury Street E. 50 Henri-Bourassa Bl. W. 8595 Hochelaga Street 790 Jarry Street W. 10 Jean-Talon Street E. 2490 Jean-Talon Street E. 555 Jean-Talon Street W. 9095 Lajeunesse Street 2937 Masson Street 6270 Monk Blvd. 5487 Monkland Blvd. 1100 Mount Royal Ave. E. 2046 Mount Royal Ave. E. 1420 Notre-Dame Street W.	Robert Larocque Claude Piché Serge Létourneau Claude Parent Guy Lorrain Marcel Collette Paul Lalonde Gilles Bolduc Pôline Paquet Claude Gauthier Jean-Jacques Dion Lionel Lefrançois Michel McCann Jean-Paul Fluet André Verbejus Raymond Brabant Marcel Turmel Guy Pelletier Michel Rouleau Yves Desrochers Roland Lamontagne Jean-Paul Bolduc Camille Cartier Roger Graillon Bernard Benoit Mario Galella Fabien Brin Aimé Cuillierier André Gagnon Lucien Lachance André Letarte Gilles Emond Pierre Périard Jean-Guy St-Onge  Yvon Couture	5059 Park Avenue 5677 Park Avenue 936 St. Catherine Street E. 2400 St. Catherine Street E. 3290 St. Catherine Street E. 777 St. Catherine Street W. 1220 St. Catherine Street W. 1472 St. Catherine Street W. 4190 St. Denis Street 5000 St. Denis Street 7501 St. Denis Street 8090 St. Denis Street 262 St. James Street W. 2401 St. James Street W.  4080 St. James Street W. 3730 St. Lawrence Blvd. 4467 St. Lawrence Blvd. 6700 St. Lawrence Blvd. 7192 St. Michel Blvd. 8930 St. Michel Blvd. 801 Sherbrooke Street E. 6615 Sherbrooke Street E. 245 Sherbrooke Street W. 5651 Sherbrooke Street W. 6260 Sherbrooke Street W.  7420 Sherbrooke Street W. 6640 Somerled Avenue 4790 Van Horne Avenue	Aimé Jolicoeur Lionel Pesant Laurent Parisien Raymond Larivée  Jacques Lanouette Louis Philippe Lessard Jean Bazinet  Gilles Faucher  Claude Poisson Germain Désilets Jean-Guy Poulin Richard Rousseau Gilles Madore Jean Lapostolle Rolland Désormeaux  Jean St-Pierre Pierre Moisan Raymond Coderre Paul Portugais Maurice Renaud Richard Turcotte Denis Lavigne Robert Marois Michel Blain Jean-Claude De Grasse Angus Goodfellow Normand Landry Jean Loiselle
<b>Superintendent</b> (Mortgage Loans)	Robert Desharnais				
<b>Departments</b>	<b>Managers</b>				
Accounting	Michel Archambault				
Advertising	Jacques Bourgeois				
Clearing	Roméo Gauthier				
Foreign Exchange	Roger Cormier				
Human Resources	Richard Longpré				
Informatic	Jean-Guy Calvé				
Inspection	Yvan Poirier				
Internal Audit	Robert Bourget				
Investments	Claude Jodoin				
Marketing	Alain Choinière				
Methods and Procedure	Pierre Riva				
Mortgage Loans (Existing Loans)	Gilles Laforest				
Mortgage Loans (New Loans)	Raoul Vézina				
Personal Loans	Serge Martel				
Premises (Administration)	Georges Dorion				
Premises (Development)	Guy Labelle				
Training	Jean-Pierre Maheu				

<b>Anjou</b> 7050 Jarry Street E. 6651 Joseph Renaud Blvd.	Jean Juneau François Bernard	1995 St. Martin Blvd. Chomedey 750 Montrose Street, Duvernay	Jean Lefebvre Serge Joly	<b>St. Léonard</b> 5900 Bélanger Street E. 4725 Jarry Street E. 5355 Jean-Talon Street E. 8410 Langelier Blvd. 8945 Viau Street	Gérald Charest Raymond Hébert Roger Majeau Normand Audet Joseph Ruffolo
<b>Beloëil</b> 706 Laurier Blvd.	Marcel Bédard	<b>Longueuil</b> 2836 Chambly Road 4 St. Charles Street E. 670 Curé Poirier Blvd. W.	André Dulac Jean Mercure Maurice Tremblay	<b>Terrebonne</b> 1035 des Seigneurs Blvd.	Jean-Guy Roy
<b>Boucherville</b> 999 Montarville Blvd.	Serge Prud'homme	<b>Montreal North</b> 4135 Amiens Street 5501 Henri Bourassa Blvd. E. 6525 Léger Blvd. 6263 Maurice-Duplessis Blvd.	René Laverdière Normand Lemieux Georges Provost Donald Ruel	<b>Verdun</b> 5501 Verdun Avenue 4214 Wellington Street	Claude Desmarais Réal Toupin
<b>Brossard</b> 2215 Lapinière Blvd. 1635 Rome Blvd.	Réal Guilbault Rénald Blanchard	<b>Outremont</b> 1447 Van Horne Avenue	Robert Arrelle	<b>Westmount</b> 4848 Sherbrooke Street W.	Lucien St-Pierre
<b>Châteauguay</b> 111 St. Jean-Baptiste Blvd.	Robert Proulx	<b>Pointe-aux-Trembles</b> 12050 Sherbrooke Street E.	Isidore Blanchard		
<b>Côte St-Luc</b> 5501 Cavendish Blvd. 5479 Westminster Avenue	Gérard Lapierre Jean-Marie Benson	<b>Repentigny</b> 150 Iberville Blvd.	Gilles Leduc		
<b>Dollard-des-Ormeaux</b> 4057 Montée St-Jean	Aldo Tucci	<b>Roxboro</b> 10451 Gouin Blvd. W.	Robert Ménard		
<b>Dorval</b> 325 Dorval Avenue	Jean St-Denis	<b>St. Eustache</b> 250 Sauvé Blvd.	Paulin Lemire		
<b>Granby</b> 243 Principale Street	Luc Thibodeau	<b>St. Hubert</b> 4990 Champlain Blvd. 3605 Taschereau Blvd.	Dominique Morin André Julien		
<b>Hull</b> 770 St. Joseph Blvd.	Georges Harvey	<b>St. Lambert</b> 400 Victoria Avenue	Michel Jutras		
<b>Lachine</b> 1675 Notre-Dame Street W.	Robert Plante	<b>St. Laurent</b> 123 Côte Vertu West 865 Décarie Blvd. 445 Laurentian Blvd. 1430 Poirier Street	Roger Durand Gilles Bellemare Joseph Belso Jean Maurice Tourangeau		
<b>LaSalle</b> 8787 Newman Blvd.	Joseph Denino				
<b>Laval</b> 265 - 15th Street, Laval des Rapides 3387 Dagenais Blvd. Fabreville 510 des Laurentides Blvd. Pont-Viau 3870 Notre-Dame Blvd. 4640 Samson Blvd.	Lucien Latreille Jean-Bernard Lapointe Jean Dubois René Monté Normand Larocque				



## Foreign Correspondents

### **Belgium**

Société Générale de Banque S. A.

### **England**

Bank of Montreal

### **France**

Crédit Lyonnais  
Royal Bank

### **Germany**

Deutsche Bank A. G.

### **Greece**

National Bank of Greece, S. A.

### **Haiti**

Royal Bank

### **Israel**

Bank Leumi Le Israel B. M.

### **Italy**

Banca Nazionale del Lavoro  
Credito Italiano

### **Portugal**

Banco Portugues do Atlantico  
Banco Totta & Açores

### **United States**

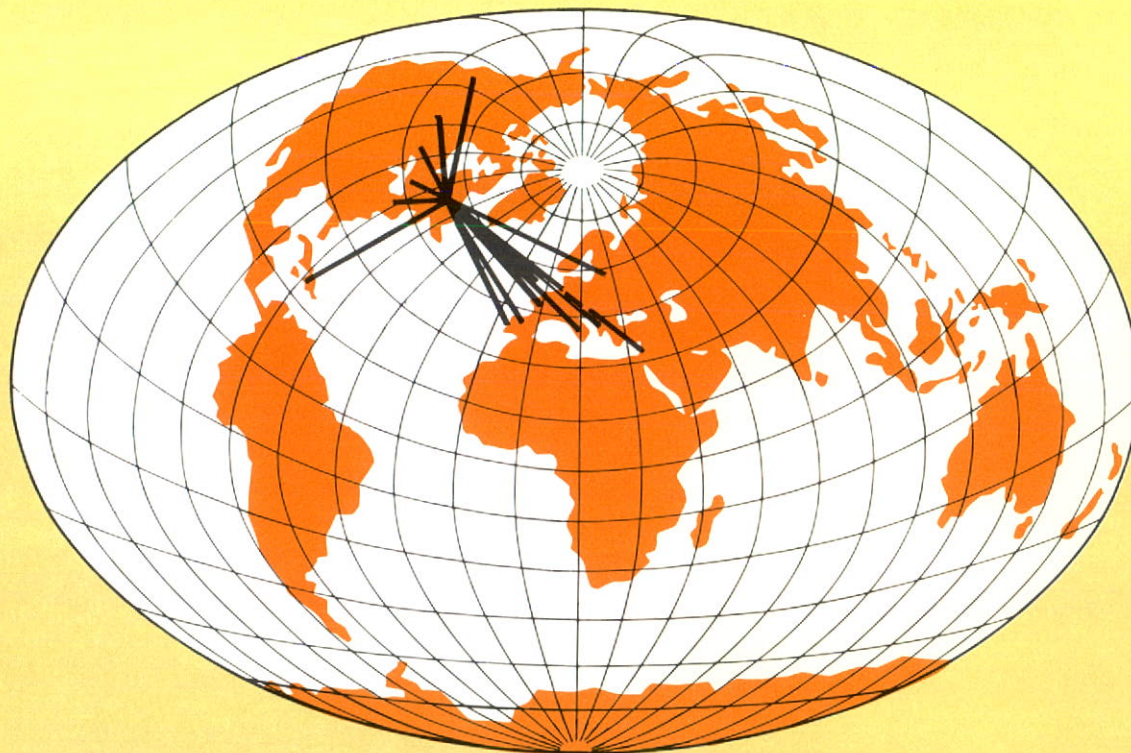
Bank of Montreal  
Chase Manhattan Bank  
First National City Bank  
Bankers Trust Company

### **Spain**

Banco Hispano Americano  
Banco Espanol de Credito

### **Switzerland**

Union Bank of Switzerland





# Crédit Foncier Franco-Canadien

## branches

### NOVA SCOTIA

Halifax: Duke Tower, Scotia Square

### QUEBEC

Montreal: Savings Branch  
612 Saint-Jacques Street  
Mortgage Branch  
555 Dorchester Blvd. West

Quebec City: 1135 Chemin Saint-Louis

### ONTARIO

Kitchener: 235 King Street East

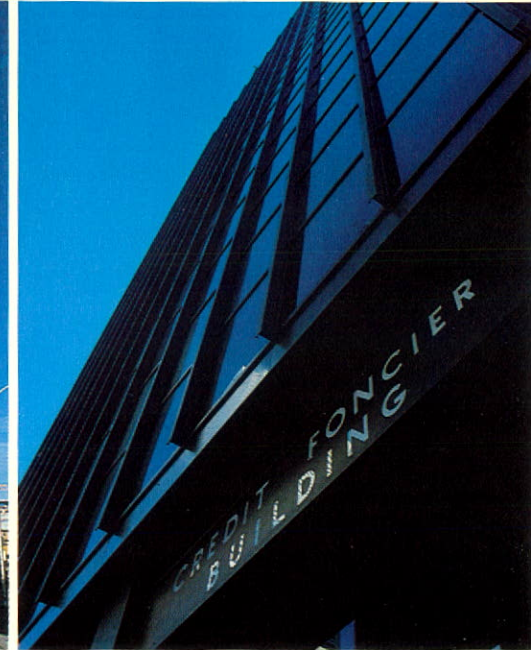
London: 285 King Street

Ottawa: 170 Metcalfe Street

Toronto: 199 Bay Street



*The Credit Foncier offices in the Halifax Scotia Square commercial centre.*



*One of Credit Foncier's most modern branches, on Toronto's Bay Street.*

MANITOBA

Winnipeg: 286 Smith Street

SASKATCHEWAN

Regina: 2184 - 12th Avenue

Saskatoon: 220 - 23rd Street East

ALBERTA

Calgary: 640 - 6th Avenue S.W.

Edmonton: 10275 Jasper Avenue

BRITISH COLUMBIA

Prince George: 300 Victoria Street

Vancouver: 850 West Hastings Street

Vernon: 3105 - 34th Avenue

Victoria: 1019 Blanshard Street

White Rock: 15233 Russell Avenue



*The Credit Foncier branch in Winnipeg.*

*Credit Foncier's Calgary office, located in one of Canada's fastest growing cities.*

## *Fiduciaires de la Cité et du District de Montréal Limitée*

### **Branches**

#### **Montréal**

1253 McGill College Avenue

6633 Sherbrooke Street East

#### **Rosemère**

Place Rosemère

401 Labelle Blvd.

