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TRADERS GROUP LIMITED

ANNUAL REPORT 1982

TRADERS
GROUP LIMITED

62nd ANNUAL REPORT 1982

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Si vous désirez recevoir un exemplaire en français du rapport annuel Groupe Traders Limitée, veuillez vous adresser au service des finances, Le Groupe Traders Limitée, 625, rue Church, Toronto (Ontario) M4Y 2G1.

Traders Group Limited

Shareholders' Information

Head Office
625 Church Street
Toronto, Ontario
M4Y 2G1
Telephone (416) 925-1461

Auditors
Price Waterhouse
Chartered Accountants
Toronto, Ontario

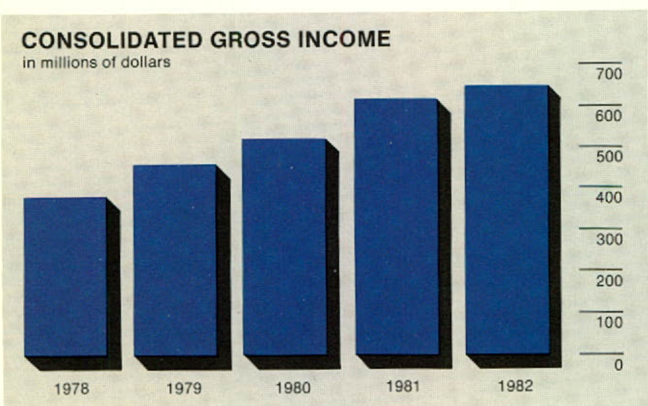
Stock Exchange Listings
(Symbol: TG)
Toronto Stock Exchange:
Class A & B common,
preferred (all classes)
Vancouver Stock Exchange:
Class A & B common,
preferred (4½%, 10¼%, 7.5%)

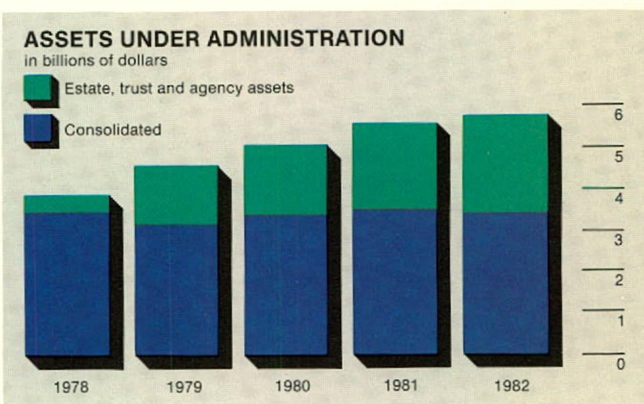
Share Transfer Agents and Registrars
Guaranty Trust Company of Canada
Toronto, Montreal, Winnipeg,
Calgary, Vancouver
Bank of Montreal Trust Company
New York, N.Y.

Trustees
Senior Secured Debt—
The Royal Trust Company
Toronto, Ontario
Debentures—
The Canada Trust Company
Toronto, Ontario

Consolidated Highlights

	1982	1981	% Increase (Decrease)
Consolidated gross income	**$ 639,192,000**	$ 612,033,000	4
Consolidated net income—continuing operations	**4,244,000**	3,191,000	33
Consolidated net income	**2,654,000**	2,665,000	—
Earnings per common share—continuing operations	**0.35**	0.12	192
Earnings per common share	**0.04**	0.02	100
Dividends declared per common share	**0.40**	1.03¾	(61)
Return on average common equity	**0.16%**	0.10%	60
Assets under administration			
Consolidated assets	**$3,399,844,000**	$3,568,874,000	(5)
Estate, trust and agency assets	**2,385,385,000**	2,037,081,000	17
Total assets under administration	**5,785,229,000**	5,605,955,000	3
Consolidated shareholders' equity	**147,235,000**	149,670,000	(2)
Weighted average number of common shares outstanding	**5,067,000**	5,069,000	—
Net Income (Loss) by Line of Business			
Trust Company	**$ 2,719,000**	$ 757,000	259
Guaranty Properties	**1,002,000**	1,632,000	(39)
Finance Group—continuing operations	**(905,000)**	1,560,000	(158)
—factoring operation	**(1,590,000)**	(526,000)	(202)
Insurance Group	**1,428,000**	(758,000)	288
Consolidated net income	**$ 2,654,000**	$ 2,665,000	—





Unprecedented, adverse business conditions marked by record unemployment and unfavourable economic factors restricted attainment of acceptable profit levels by your Corporation in 1982. Inflation remained high until the third quarter, and while lower interest rates early last year helped to improve the results in our intermediary business, gains were offset by credit losses and provisions which multiplied threefold over 1982, and by losses in some of the remaining three business segments.

Net income for the year after investment write-offs and other adjustments was $2,654,000 compared with $2,665,000 in

Chairman's Report to Shareholders

1981. Profit per common share during 1982 was $0.04 compared with earnings of $0.02 the year previous. Total assets under administration rose to $5,785,229,000, a 3 percent gain over 1981.

Contribution to earnings by business segment during 1982, as compared with 1981 were as follows: Trust company, $2,719,000, $757,000; Finance Group, $(2,495,000), $1,034,000; Insurance Group, $1,428,000, $(758,000); Real estate company, $1,002,000, $1,632,000.

For our real estate company subsidiary—Guaranty Properties Limited—the slow-down in business activity brought development to a virtual standstill, and falling land prices resulted in some writedowns on capitalized book values of our properties.

Last year at this time, I expressed concern about the slow progress made in the introduction of new trust company legislation. The delay continues to have an adverse affect on the competitive position of the whole trust industry.

We have two principal areas of concern with respect to the draft legislation: one, the 10 percent share ownership limit; and two, the definition of a commercial loan.

In the first instance, draft legislation would indicate that strict ownership rules will prevent any one shareholder from holding more than 10 percent of the shares in a trust company. Our position is that honesty cannot be legislated and the 10 percent rule is therefore unnecessary.

The commercial loan definition is vitally important to trust companies because the traditional area of investment—residential mortgages, is shrinking due to changing demographics and increased competition. To offset this shrinking market greater flexibility in lending is required to enable growth through asset diversification. This has led our industry to seek greater flexibility for investments in consumer and corporate loans.

The proposed provisions in the new Act with respect to personal lending are encouraging but the commercial loan definition is overly restrictive and should be amended to differentiate between commercial and corporate lending. This would recognize the differences between demand and term lending enabling growth by the Trust Industry in term lending which can be matched against its customary term deposit base. Since commercial loans are demand loans advanced under lines of credit and fall within the principal area of activity of the chartered banks we are prepared to live within a restriction of 10 percent of assets. It is our view, however, that the proposed commercial loan definition should exclude loans with a term of one year or more, leaving term or corporate lending without restrictions.

Left unchanged the definition would not only inhibit our ability to continue to service a growing market but would also severely restrict our current lending ability in such areas as automobile dealer financing, long a mainstay of your Corporation.

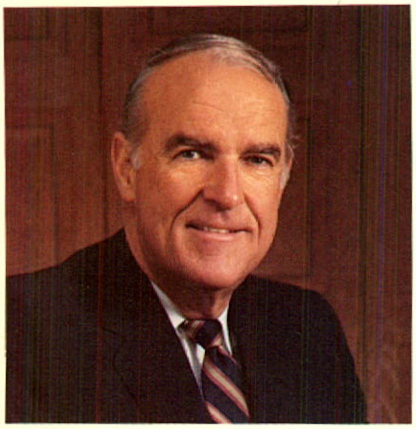
The Trust Companies Association has made representations on this issue and we remain optimistic that modifications will be forthcoming which will enhance our competitive investment opportunities.

For 1983, the consensus of financial forecasters calls for little growth in the economy, accompanied by somewhat lower interest rates and continuing high unemployment. In this environment the Corporation will show modest asset growth. Credit losses will continue to be of major concern but with the improved interest spreads there should be reasonable improvements in the profits of our intermediary business. Finally, with reference to Guaranty Properties, though we are expecting an improvement in housing starts during 1983, this will probably be modest and the activity of our real estate company will likely remain sluggish.

I extend sincere appreciation to our Board of Directors, shareholders, employees and clients for their valuable support and counsel during the past year.

Alan R. Marchment
Chairman of the Board and
Chief Executive Officer

Senior Management



E. Wallace Flanagan
President

Robert E. Bethell
President and
Chief Executive Officer
Canadian General
Insurance Group

Michael A. Hasley
Executive Vice-President
Guaranty Trust Company of Canada

J. Douglas Derbyshire
Senior Vice-President

Edwin W. Austin, C.A.
Senior Vice-President

Guaranty Trust Company of Canada

Financial Intermediary and Trust Operations

Gross revenue increased 11.9 percent to $375 million in 1982. Due to gradually reducing interest rates, the investment spread rose 49 percent to $46 million, representing an increase from 0.71 percent of total assets to 1.06 percent.

Total non-interest expenses, excluding credit losses, were contained to a 9.6 percent increase with salaries and staff benefits rising only 7.9 percent as a result of improved productivity.

Along with most other lenders, Guaranty Trust recorded significantly higher credit losses in 1982. Net write-offs and additions to specific reserves totalled $7.8 million, representing 0.38 percent of total loans outstanding at year end. General reserves were increased $0.6 million bringing total credit loss expense to $8.4 million. This resulted in the allowance for credit losses increasing from $5,133,000 at December 31, 1981 to $10,858,000.

The 1982 corporate focus was on improving services, and systems designed to help the Company manage more effectively in difficult economic times, and position it for growth and profit as conditions improve.

Organizational changes in our lending operations saw five commercial lending divisions consolidated into two. We now have twelve full-service commercial branches each providing commercial mortgage, corporate term lending and equipment financing operations. We have also developed a specialized investment group which provides inventory and fixed asset financing to automobile dealers as well as to manufacturers and distributors of revenue producing machinery and equipment.

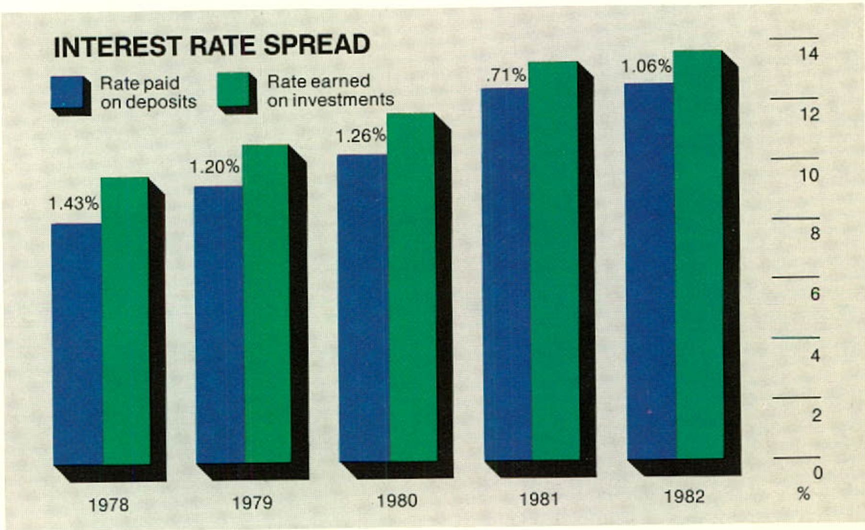
A new consumer lending activity was also created combining residential mortgage business with branch-based lending services. The restructuring also encompassed a significant upgrading in the quality and timeliness of management information for decision making as well as more refined business unit profitability measurements, strengthened credit analysis, monitoring and review and more efficient portfolio control.

The benefits of all of this are already becoming apparent in the form of a better control over delinquencies and loan losses; improved service levels through the availability of highly trained personnel at the local level supported by high calibre head office product design and development support; and better market positioning for growth and the cross selling of services.

The efficiency of our nationwide branch operations were enhanced during the year through the introduction of a new, computerized on-line time deposit system as well as

Net Interest Income and Spread

($ thousands)	1982	1981	Increase/(Decrease) Amount	%
Interest income	**$346,555**	$ 304,989	$41,566	14
Interest expense	**300,279**	275,800	24,479	9
Net interest income	**46,276**	29,189	17,087	59
Taxable equivalent adjustment	**—**	1,775	(1,775)	—
Net interest income (TE)	**$ 46,276**	$ 30,964	$15,312	49
Interest rate spread (TE)	**1.06%**	0.71%	0.35%	49



by the implementation of work volume and product profitability measurements and analyses which have allowed us to upgrade the cost efficiency of our branch operations. In other branch developments, a new branch was opened in Ottawa late last year, and four other branches were relocated in new facilities at Montreal, Edmonton, Don Mills and Welland. In addition, major renovations were made to our main Winnipeg branch.

As illustrated on pages 7 and 33, further progress has been made in matching maturities of assets and liabilities as well as their interest rate sensitivity. By year end, 63 percent of assets mature within one year or are interest sensitive—up from 51 percent in 1981. The dollar level of mismatch in this category dropped from $360 million to $218 million, and should be substantially reduced again in 1983. The long term mortgage and bond portfolio decreased by $36 million to a level of $242 million at year end. Maturities and amortization payments should reduce this portfolio in 1983.

A considerable portion of the available fixed rate deposits raised was used during 1982 for the financing of the $78 million in consumer mortgages transferred from Traders Group to Guaranty Trust. An additional $62 million was loaned to Guaranty Properties in order to replace floating rate bank borrowings with term funding. Twelve million dollars of this was used by our real estate subsidiary to finance the purchase from Canadian General Insurance Group of an office building in downtown Toronto.

Improved marketing strategies in the fiduciary area contributed to gains there, especially in Pension Services. This group increased total assets under administration by 53 percent, exceeding $1 billion for the first time. Since 1977, it has increased total assets under administration by 604 percent. In Personal Trust, gross annual income from Estate, Trust and Agency Services was $3.6 milllion compared to 1981 level of $3.8 million, though assets under administration increased by 2 percent to $229 million. Reorganization of this activity was initiated last year, with administration services now centralized in five locations—Toronto, Ottawa, Regina, Calgary and Vancouver. The move will benefit profitability in 1983, without reducing client services.

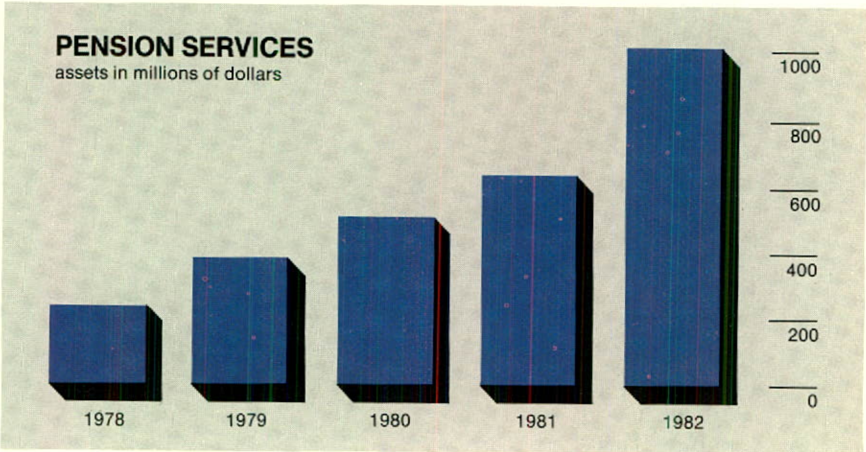
Despite a 45 percent decline in stock market activity, revenue for the Stock Transfer Division was up by more than 2.8 percent in 1982 following a record 44.1 percent revenue gain in 1981. Personnel in five, fully computerized centres and nine transfer agencies now process more than 16 percent of all share transactions in Canada.

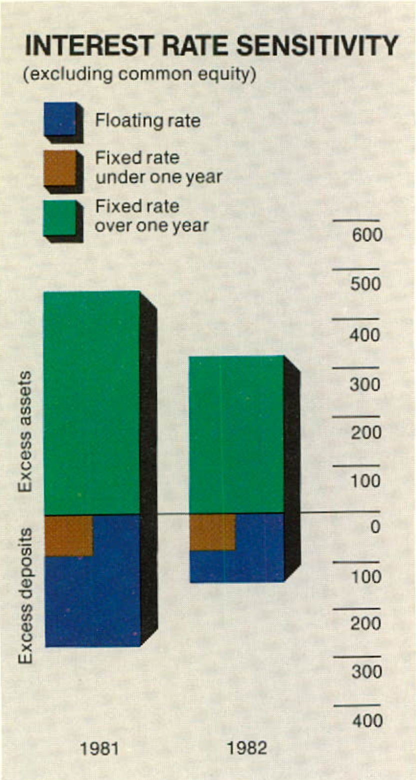
In summary, the Company has met the challenge of a difficult, new business environment through rationalization of resources, tight portfolio control measures, and development of fee producing services.

Credit Losses and Allowances
December 31

	Credit Loss Expense			Allowance for Credit Losses	
($ thousands)	Net Losses	Change in Allowance	Total	**1982**	1981
Consumer mortgages	$ 523	$ 842	$1,365	**$ 1,063**	$ 221
Personal loans	1,740	937	2,677	**3,142**[1]	2,010
Commercial mortgages	(103)	1,471	1,368	**1,471**	—
Corporate term loans	365	1,527	1,892	**2,891**	1,162
Equipment financing	81	422	503	**919**	699
Manufacturer and dealer services	248	331	579	**1,372**	1,041
	$2,854	$5,530	$8,384	**$10,858**	$5,133

1 Includes allowances of $195 from Bulk Purchase.





Guaranty Properties Limited

The continent-wide cyclical downturn in land development operations had direct negative impact on the profits of Guaranty Properties Limited during 1982.

Total income from real estate sales and other business was $28,463,000 for the year, 38 percent ahead of 1981 levels. Net income was $1,002,000, a decrease of $630,000 from the previous year. Total assets were $174,770,000, an 18 percent increase.

High interest rates combined with depressed markets resulted in a decline in land values, necessitating a write-down of $713,000.

In commercial real estate activity, revenue of $10,292,000 was realized during 1982 from the sale of 114 units in the luxury condominium project at 360 Bloor Street in Toronto. Construction will begin in March 1983 on a Mississauga, Ontario shopping centre/office building complex. Occupancy of the 78,250-square foot space is scheduled for October 1983.

In property management, the Company has continued to expand Toronto, Ottawa and Montreal branch activities.

Guaranty Trust Realtor recorded total revenue of $6,967,000 on total sales of $150,814,000. Full results are given in the accounts of Guaranty Trust.

Finance Group

Commercial lending business is now being written by Guaranty Trust as part of a restructuring in this area.

Portfolio control continued to have high priority and the outstandings continued their planned decline.

Pursuing plans made in 1981, Aetna Financial Services was significantly reduced in size last year. Total assets decreased from $38 million to $6 million. Serviced accounts receivables declined from $28 million to $4 million. The Company is no longer writing new business and active operations will end during the first half of 1983.

Traders' share of losses incurred were $1.6 million and include "provision for closing costs" which will be incurred in 1983, but booked in the 1982 results.

Personal Financial Services

Tight control of all operating expenses produced a 14 percent reduction in total general and administrative expense for Trans Canada Credit Corporation in 1982.

Cost control or reduction measures included the closing of 40 branch offices across Canada, 11 of them Revolving Credit Branches. The planned liquidation of Revolving Credit operations reduced outstandings in that portfolio by $21.5 million and by year-end the Company was no longer active in this business.

Personal bankruptcies have exerted upward pressure on consumer loan credit losses, but delinquency trends are holding at reasonable levels.

Personal loan receivables decreased by $1.7 million to $232 million. Conditional Sales Contract receivables outstandings were on a planned reduction program, and declined by $13 million to $20.7 million.

Total outstandings at year-end were $316 million—compared with $433 million the previous year, reflecting modest growth after the transfer of $78 million in mortgages to Guaranty Trust.

Canadian General Insurance Group

The net income for the insurance group prior to extraordinary item and minority interest was $1,997,000, comprised of $991,000 from the general insurance operations and $1,006,000 from the life insurance company.

General Insurance Operations

General insurance operations reported an improved profit for the year. During the year steps were taken to expand our computer facilities in both the General and Life Companies. We also introduced new products in our personal lines book of business. These included the clear-language policy, Deluxe "Homepac" and renewal discount.

Premium volume in the general insurance area remained static over the year, and policies in force declined as a result of rate increases and strict underwriting activity.

However, the claims ratio dropped in 1982, and together with higher investment income produced a modest profit on operations as compared to a loss the previous year.

Considerable improvement was recorded during the second half of 1982 as a direct result of rate increases, and there is every indication of a continued upswing into 1983. However, the industrial market is still highly competitive and there is little sign of any improvement of profitability in this area.

The Company continues its tight underwriting policy, but as the market settles down to a higher price level, the volume is expected to grow for at least several years.

OPERATIONS SUMMARY—GENERAL INSURANCE
($000's omitted)

	Auto		Property & Casualty		Total	
	1982	1981	**1982**	1981	**1982**	1981
Net written premiums	**$ 60,399**	$ 56,115	**$ 44,165**	$ 48,136	**$104,564**	$104,251
Policies in force	**144,000**	144,143	**147,000**	162,455	**291,000**	306,598
Net premiums earned	**$ 59,554**	$ 52,400	**$ 45,316**	$ 46,293	**$104,870**	$ 98,693
Claims expenses	**50,751**	52,534	**32,537**	32,890	**83,288**	85,424
Commission & premium taxes	**8,228**	7,613	**10,668**	10,335	**18,896**	17,948
Other expenses	**8,296**	6,968	**7,044**	6,078	**15,340**	13,046
Underwriting profit (loss)	**$ (7,721)**	$(14,715)	**$ (4,933)**	$ (3,010)	**(12,654)**	(17,725)
Investment income and other					**12,846**	11,429
Income taxes recovery					**(799)**	(4,721)
Income (loss) for the year before extraordinary item					**$ 991**	$ (1,575)
Underwriting loss ratio	**13.0**	28.1	**10.9**	6.6	**12.1**	18.0

Life Insurance

Growth was recorded in both premiums and volume of Individual Life business with increases of $4,506,000 and $1.15 billion, respectively. Progress has been consistent since the introduction of an expansion program in 1979.

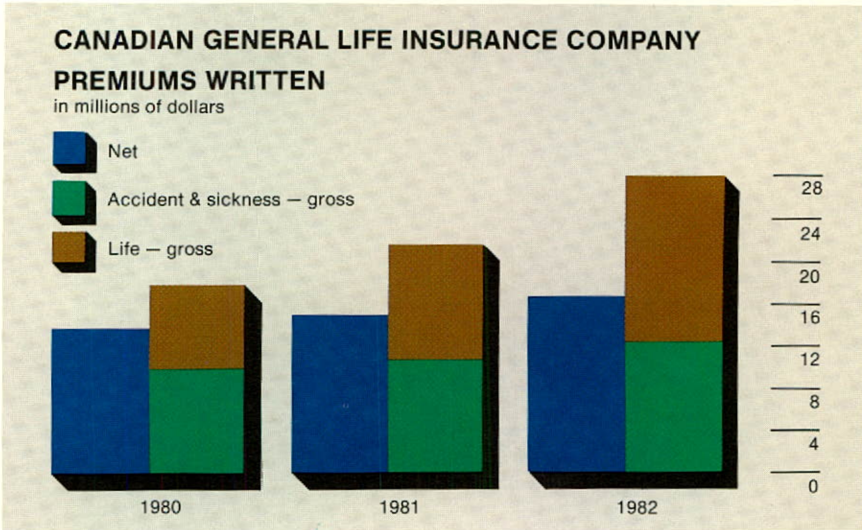
Group insurance accounted for most accident and health portfolio business during 1982, and an improved ratio of new plans in the account gave it balance and stability.

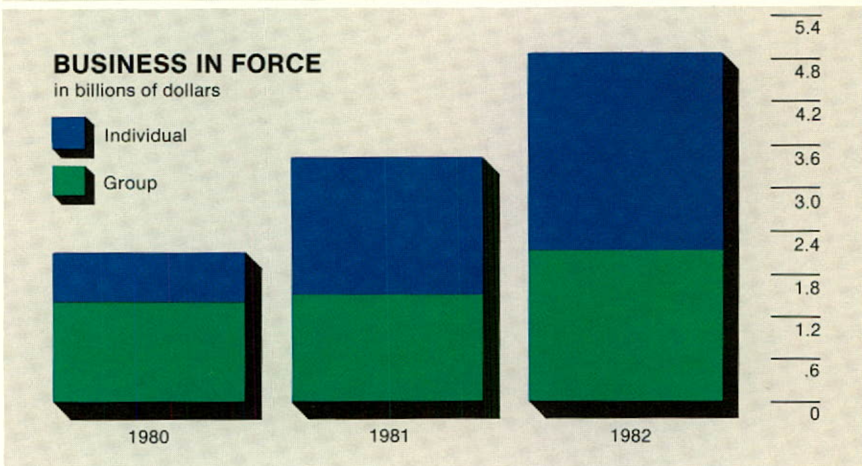
Claims remained within acceptable limits in life as well as accident and health, and operating expenses were well under control.

Investment income increased for the second straight year, up 24.8 percent over 1981. This increase reflects growth in the portfolio, as well as investment strategy effectiveness.

The Company also satisfactorily met all tests established by the Department of Insurance, and regulatory bodies established by the industry.

Net income for the year was $1,006,000, compared with $833,000 in 1981.





Management's Report

To the Shareholders of Traders Group Limited:

Management is responsible for the preparation and presentation of financial information contained in this report. The financial statements and the accompanying notes are considered by management to present fairly the Corporation's financial position and results of operations.

Management maintains the necessary system of internal controls to provide assurance that transactions are authorized, assets are safeguarded and proper records maintained. The controls are monitored by the Corporation's internal auditors.

The Board of Directors appoints an Audit Committee. Acting on behalf of the Board, the Committee reviews the Corporation's financial statements and accounting policies and periodically reviews principal internal controls to ensure their adequacy. The Executive Committee of the Board approves credit authorization policies.

The Department of Insurance conducts an annual examination and enquiry into the affairs of the Trust and Insurance Companies as it feels appropriate and necessary to satisfy itself that the provisions of the legislation under which they operate are being duly observed and that the Companies are in a sound financial condition.

Price Waterhouse, the independent auditors appointed by the shareholders of the Corporation, have examined our financial statements in accordance with generally accepted auditing standards and their report follows. Price Waterhouse have free and independent access to the Audit Committee and meet with the Committee to consider matters relating to financial statement presentations, internal controls and audit procedures.

A. R. MARCHMENT
Chairman of the Board and
Chief Executive Officer

E. W. AUSTIN
Senior Vice President
Finance and Administration

Toronto, January 26, 1983

Auditors' Report

To the Shareholders of Traders Group Limited:

We have examined the consolidated balance sheet of Traders Group Limited as at December 31, 1982 and the consolidated statements of income, retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, 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.

Toronto, January 26, 1983

PRICE WATERHOUSE
Chartered Accountants

Consolidated Statement of Income

Year ended December 31

Gross income	1982	1981
Trust company loan, investment and fee income	**$374,931,000**	$335,137,000
Property sales and other income	**28,463,000**	20,628,000
Finance charges and related income	**96,785,000**	125,505,000
Insurance premiums and investment income	**138,920,000**	128,540,000
Gain on sale of investments	**93,000**	2,223,000
	639,192,000	612,033,000
Expenses		
Interest expense—trust and property	**305,167,000**	278,911,000
—finance	**50,874,000**	73,301,000
	356,041,000	352,212,000
Cost of property sales and write-down of land inventory	**16,745,000**	12,311,000
Insurance claims	**98,153,000**	101,559,000
Insurance commissions and premium taxes	**20,558,000**	18,375,000
Credit losses	**18,532,000**	9,779,000
Salaries and staff benefits	**60,937,000**	58,915,000
Premises including depreciation	**13,264,000**	12,093,000
Other expenses (Note 9)	**47,783,000**	44,580,000
	632,013,000	609,824,000
Income before income taxes and minority interest	**7,179,000**	2,209,000
Income taxes—current	**4,140,000**	1,816,000
—deferred	**(2,424,000)**	(3,815,000)
	1,716,000	(1,999,000)
Net operating income	**5,463,000**	4,208,000
Minority interest and consolidation adjustments	**1,219,000**	1,017,000
Net operating income from continuing operations	**4,244,000**	3,191,000
Loss from factoring operation, net of taxes (Note 5)	**(1,590,000)**	(526,000)
Net income for the year	**$ 2,654,000**	$ 2,665,000
Available for		
Preferred shares	**$ 2,464,000**	$ 2,545,000
Common shares	**190,000**	120,000
	$ 2,654,000	$ 2,665,000
Earnings (loss) per common share—continuing operations	**$0.35**	$0.12
—factoring operation	**(0.31)**	(0.10)
	$0.04	$0.02
Weighted average number of common shares outstanding after inter-corporate elimination	**5,067,000**	5,069,000

Consolidated Balance Sheet

December 31

Assets	1982	1981
Trust		
Cash and bank deposit receipts	**$ 389,582,000**	$ 412,110,000
Securities	**90,118,000**	112,860,000
Loans	**2,014,257,000**	1,986,201,000
	2,493,957,000	2,511,171,000
Guaranty Properties		
Cash and mortgages receivable	**18,767,000**	23,569,000
Real estate	**136,218,000**	122,133,000
	154,985,000	145,702,000
Finance		
Cash and money market instruments	**20,594,000**	5,146,000
Receivables	**448,181,000**	663,645,000
Income producing properties	**25,263,000**	–
	494,038,000	668,791,000
Insurance		
Cash and investments	**162,650,000**	151,167,000
Premiums receivable and deferred acquisition costs	**29,383,000**	31,174,000
	192,033,000	182,341,000
Other		
Investments in associated corporations and other investments	**3,183,000**	3,624,000
Fixed assets	**16,475,000**	18,201,000
Miscellaneous assets	**45,173,000**	39,044,000
	$3,399,844,000	$3,568,874,000

Consolidated Balance Sheet
December 31

Liabilities	1982	1981
Trust		
Savings and chequing accounts	**$ 657,847,000**	$ 623,000,000
Time deposits	**275,151,000**	316,610,000
Guaranteed investment certificates	**1,435,161,000**	1,401,094,000
	2,368,159,000	2,340,704,000
Guaranty Properties		
Bank loans and mortgages payable	**71,942,000**	102,421,000
Finance		
Debt (Note 2)	**396,118,000**	521,937,000
Unearned finance charges	**63,681,000**	72,377,000
	459,799,000	594,314,000
Insurance		
Claims in course of settlement	**90,699,000**	90,539,000
Unearned premiums	**49,185,000**	49,491,000
	139,884,000	140,030,000
Other		
Accounts payable and accrued expenses	**163,310,000**	187,034,000
Deferred income taxes (Note 6)	**37,347,000**	39,858,000
Minority interest (including Trust company preference shares)	**12,168,000**	14,843,000
Shareholders' Equity (Note 2)		
Preferred shares	**32,026,000**	33,144,000
Common shares	**64,465,000**	64,465,000
	96,491,000	97,609,000
Retained earnings	**79,581,000**	80,898,000
	176,072,000	178,507,000
Elimination of inter-corporate holdings	**(28,837,000)**	(28,837,000)
	147,235,000	149,670,000
	$3,399,844,000	$3,568,874,000

The accompanying notes form an integral part of the consolidated financial statements.

Approved by the Board:

Alan R. Marchment, Director.

Irving R. Gerstein, Director

Consolidated Statement of Retained Earnings

Year ended December 31

	1982	1981
Balance at beginning of year	**$ 80,898,000**	$ 85,659,000
Adjustment arising during the year—		
Change in holdings in subsidiaries	**—**	(40,000)
Amortization of cost of issuing preferred shares, net of gain on redemption	**520,000**	416,000
	81,418,000	86,035,000
Net income for the year	**2,654,000**	2,665,000
Less dividends on preferred shares		
4½%	**135,000**	136,000
5%	**58,000**	58,000
5%, Series A	**60,000**	65,000
$2.16 Series B	**387,000**	408,000
10¼%	**723,000**	747,000
7.5%	**1,101,000**	1,131,000
	2,464,000	2,545,000
Earnings available for common shares	**190,000**	120,000
Less dividends on common shares, net of inter-corporate holdings (1982—$0.40; 1981—$1.03¾ per share)	**2,027,000**	5,257,000
Earnings retained for the year	**(1,837,000)**	(5,137,000)
Balance at end of year	**$ 79,581,000**	$ 80,898,000

Consolidated Statement of Changes in Financial Position

Year ended December 31

	1982	1981
Funds provided by:		
Operations		
Net income	**$ 2,654,000**	$ 2,665,000
Add non cash items		
Depreciation and amortization	**3,961,000**	2,450,000
Deferred income taxes	**(2,511,000)**	(8,098,000)
	4,104,000	(2,983,000)
Proceeds from issue and redemption of shares of the Corporation	**(1,117,000)**	(645,000)
Net increase (decrease) in		
Trust company deposits	**27,455,000**	274,785,000
Guaranty Properties debt	**(30,479,000)**	27,745,000
Finance debt	**(125,819,000)**	(128,670,000)
Insurance claims in course of settlement	**160,000**	14,142,000
Unearned insurance premiums	**(306,000)**	5,471,000
Other	**(31,573,000)**	14,315,000
	$(157,575,000)	$204,160,000
Funds applied to:		
Dividends	**$ 4,491,000**	$ 7,802,000
Addition to fixed assets	**2,230,000**	3,578,000
Net increase (decrease) in		
Trust company cash, loans and securities	**(17,214,000)**	304,017,000
Guaranty Properties cash, mortgages and real estate	**9,283,000**	28,006,000
Finance cash, receivables and properties, net of unearned finance charges	**(166,057,000)**	(153,726,000)
Insurance cash, investments and other	**9,692,000**	14,483,000
	$(157,575,000)	$204,160,000

Guaranty Trust Company

Statement of Income
Year ended December 31

	1982	1981
Gross income		
Interest from mortgage and other loans	**$ 279,724,000**	$ 246,603,000
Interest and dividends from securities and bank deposit receipts	**66,831,000**	58,386,000
Real estate fees and commissions	**6,967,000**	8,668,000
Other fees and commissions	**21,409,000**	21,480,000
	374,931,000	335,137,000
Expenses		
Interest on deposits	**300,279,000**	275,800,000
Credit losses	**8,384,000**	2,831,000
Salaries and staff benefits	**30,412,000**	28,193,000
Real estate commissions paid	**5,030,000**	6,365,000
Premises including depreciation	**7,870,000**	7,408,000
Other expenses	**19,206,000**	15,071,000
	371,181,000	335,668,000
Income (loss) before income taxes	**3,750,000**	(531,000)
Income taxes deferred	**–**	(577,000)
Net operating income	**3,750,000**	46,000
Net gain on investments and other assets	**44,000**	1,712,000
Equity share of net income of Guaranty Properties Limited	**1,002,000**	1,632,000
Net income before minority interest	**4,796,000**	3,390,000
Minority interest and consolidation adjustments	**1,075,000**	1,001,000
Net contribution to Traders	**$ 3,721,000**	$ 2,389,000

Summary Balance Sheet
December 31

	1982	1981
Assets		
Cash and securities		
Cash and bank deposit receipts	**$ 364,599,000**	$ 384,912,000
Securities and loan income due and accrued	**24,983,000**	27,198,000
Securities (Note 10)	**90,118,000**	112,860,000
	479,700,000	524,970,000
Loans (Note 11)		
Consumer	**1,114,992,000**	1,101,664,000
Commercial	**899,265,000**	884,537,000
	2,014,257,000	1,986,201,000
Other		
Investment in and advances to subsidiary, Guaranty Properties Limited	**75,569,000**	12,471,000
Fixed assets	**6,295,000**	6,573,000
Miscellaneous assets	**21,891,000**	19,768,000
	$2,597,712,000	$2,549,983,000
Liabilities		
Deposits		
Savings and chequing accounts	**$ 657,847,000**	$ 623,000,000
Time deposits	**275,151,000**	316,610,000
Guaranteed investment certificates	**1,435,161,000**	1,401,094,000
	2,368,159,000	2,340,704,000
Other		
Interest accrued	**70,667,000**	52,097,000
Accounts payable	**30,117,000**	31,758,000
Unearned finance charges	**9,077,000**	7,401,000
Minority interest (primarily preference shares)	**13,831,000**	14,158,000
Traders investment, at equity value	**105,861,000**	103,865,000
	$2,597,712,000	$2,549,983,000

Guaranty Properties*

Statement of Income
Year ended December 31

Gross income	1982	1981
Sales	$ 24,004,000	$ 17,977,000
Other	4,459,000	2,651,000
	28,463,000	20,628,000
Expenses		
Cost of sales	16,032,000	11,468,000
Write-down of land inventory	713,000	843,000
Interest expense	4,888,000	3,111,000
Salaries and staff benefits	1,684,000	918,000
Premises including depreciation	210,000	199,000
Other expenses	811,000	504,000
	24,338,000	17,043,000
Income before income taxes	4,125,000	3,585,000
Income taxes—current	4,662,000	1,804,000
—deferred	(1,539,000)	149,000
	3,123,000	1,953,000
Net contribution to Guaranty Trust	$ 1,002,000	$ 1,632,000

Summary Balance Sheet
December 31

Assets	1982	1981
Cash	$ 1,971,000	$ 3,218,000
Mortgages receivable and other secured receivables	16,796,000	20,351,000
Real estate		
Land inventory	131,425,000	113,674,000
Residential buildings under construction	2,758,000	6,932,000
Income producing properties	12,475,000	1,527,000
	146,658,000	122,133,000
Other		
Fixed assets	417,000	306,000
Miscellaneous assets	8,928,000	2,631,000
	$174,770,000	$148,639,000
Liabilities		
Debt**		
Bank loans	$ 62,337,000	$ 94,613,000
Mortgages payable	9,605,000	7,808,000
	71,942,000	102,421,000
Other		
Accounts payable and accrued expenses	14,458,000	17,326,000
Advance from associated corporations	700,000	6,525,000
Deferred income taxes	12,101,000	9,896,000
Guaranty Trust investment, at equity value	75,569,000	12,471,000
	$174,770,000	$148,639,000

*Consists of Guaranty Properties Limited and the following subsidiaries and joint ventures:

Albion Road Estates Limited

Apple Creek Business Park

Guaranty Properties (Florida) Inc.

Guaranty Properties (U.S.) Inc.

Traders Associates

360 Bloor Street East

488857 Ontario Limited

**Bears interest from 9% to 14½% and matures from 1983 to 1987.

Finance Group*

Statement of Income

Year ended December 31

	1982	1981
Gross income		
Consumer	$ 69,460,000	$ 89,679,000
Commercial	18,161,000	34,558,000
Other	9,164,000	1,268,000
	96,785,000	125,505,000
Expenses		
Interest expense—		
Secured debt		
Short term	15,747,000	33,002,000
Medium and long term	22,789,000	27,754,000
Debt of subsidiary	794,000	—
Unsecured debt	7,857,000	10,948,000
Other borrowing costs	3,687,000	1,597,000
	50,874,000	73,301,000
Credit losses	10,148,000	6,948,000
Salaries and staff benefits	18,719,000	20,672,000
Premises including depreciation	3,400,000	3,001,000
Other expenses	15,819,000	17,757,000
	98,960,000	121,679,000
Income (loss) before income taxes	(2,175,000)	3,826,000
Income taxes (deferred 1982—$(1,869,000); 1981—$1,994,000)	(1,335,000)	2,266,000
Net operating income (loss)	(840,000)	1,560,000
Consolidation adjustment	(65,000)	—
Loss from factoring operation, net of taxes (Note 5)	(1,590,000)	(526,000)
Net contribution	(2,495,000)	1,034,000
Equity share in net income (loss) of non-finance subsidiaries		
Guaranty Trust Company of Canada	3,721,000	2,389,000
Canadian General Insurance Group	1,428,000	(758,000)
Net income for the year	$ 2,654,000	$ 2,665,000

Summary Balance Sheet

December 31

	1982	1981
Assets		
Cash and money market instruments	$ 20,594,000	$ 5,146,000
Finance receivables		
Consumer (Note 13)	316,386,000	432,559,000
Commercial (Note 13)	141,877,000	193,450,000
Factoring	6,958,000	39,343,000
International	1,298,000	2,737,000
Loans to associated corporations	—	15,615,000
	466,519,000	683,704,000
Less: Allowance for credit losses	18,338,000	20,059,000
	448,181,000	663,645,000
Investments and advances:		
Investments in non-finance subsidiaries at equity value		
Guaranty Trust Company of Canada	105,861,000	103,865,000
Canadian General Insurance Group	31,305,000	29,855,000
Investment in associated corporations and other investments	3,183,000	3,624,000
	140,349,000	137,344,000
Other		
Income producing properties	25,263,000	—
Fixed assets	8,633,000	8,770,000
Miscellaneous assets	2,414,000	3,252,000
	$ 645,434,000	$ 818,157,000
Liabilities		
Debt (Note 2)	$ 396,118,000	$ 521,937,000
Unearned finance charges	63,681,000	72,377,000
Other		
Accounts payable and accrued expenses	11,603,000	41,451,000
Deferred income taxes (Note 6)	28,877,000	32,374,000
Minority interest in finance subsidiary	(2,080,000)	348,000
Shareholders' equity	147,235,000	149,670,000
	$ 645,434,000	$ 818,157,000

* Consists of Traders Group Limited and the following consolidated subsidiaries:

Trans Canada Credit Corporation Limited

Trans Canada Credit Realty Limited

Traders Finance Corporation (1966) Limited

Traders Homeplan Limited

Aetna Financial Services Limited

Traders Finance S.A. and subsidiaries

Traders Finance Corporation (1976) Limited

Montrad Inc.

Canadian General Insurance Group*

Statement of Income
Year ended December 31

	1982	1981
Gross written premiums	**$180,448,000**	$158,502,000
Reinsurance ceded	**59,270,000**	40,142,000
Net written premiums	**$121,178,000**	$118,360,000
Gross income		
Net earned premiums	**$121,485,000**	$113,615,000
Investment income	**17,435,000**	14,925,000
	138,920,000	128,540,000
Gain on sale of securities	**49,000**	511,000
	138,969,000	129,051,000
Expenses		
Claims	**98,153,000**	101,559,000
Commissions and premium taxes	**20,558,000**	18,375,000
Salaries and staff benefits	**10,122,000**	9,132,000
Premises including depreciation	**1,784,000**	1,485,000
Other expenses	**6,917,000**	4,883,000
	137,534,000	135,434,000
Income (loss) before income taxes	**1,435,000**	(6,383,000)
Income taxes—current	**(1,056,000)**	(260,000)
—deferred	**494,000**	(5,381,000)
	(562,000)	(5,641,000)
Net income (loss) before undernoted items	**1,997,000**	(742,000)
Extraordinary item—gain on sale of fixed assets, net of taxes	**7,747,000**	—
Minority interest and consolidation adjustment	**(8,316,000)**	(16,000)
Net contribution to Traders	**$ 1,428,000**	$ (758,000)

Summary Balance Sheet
December 31

Assets	1982	1981
Cash and short term investments	**$ 76,423,000**	$ 41,275,000
Bonds (market value 1982—$44,756,000; 1981—$54,647,000)	**46,078,000**	60,777,000
Stocks (market value 1982—$23,342,000; 1981—$29,643,000)	**23,755,000**	32,369,000
Mortgages	**16,394,000**	16,746,000
	162,650,000	151,167,000
Premiums receivable from agents and policyholders	**21,312,000**	23,026,000
Deferred acquisition costs	**8,071,000**	8,148,000
Fixed assets	**1,130,000**	2,552,000
Miscellaneous assets	**11,940,000**	13,393,000
	$205,103,000	$198,286,000
Liabilities		
Claims in course of settlement	**$ 90,699,000**	$ 90,539,000
Unearned insurance premiums	**49,185,000**	49,491,000
Provision for policy obligations	**15,512,000**	15,018,000
Accounts payable and accrued expenses	**11,177,000**	15,458,000
Deferred income taxes	**(1,428,000)**	(2,412,000)
Minority interest and consolidation adjustment	**8,653,000**	337,000
Traders investment, at equity value	**31,305,000**	29,855,000
	$205,103,000	$198,286,000

*Includes the following subsidiary companies:

Canadian General Insurance Company

Toronto General Insurance Company

Traders General Insurance Company

Canadian General Life Insurance Company

Notes to the Consolidated Financial Statements December 31, 1982

1. Summary of Accounting Policies

The summary of accounting policies followed by the Corporation and its subsidiaries as outlined on page 26 is an integral part of these financial statements.

2. Consolidated Capitalization

Details of the secured and unsecured debt and capital position are included in the Consolidated Capitalization schedules on pages 23, 24 and 25.

3. Foreign Exchange

Debt of the Corporation due beyond one year in foreign currencies is carried at the Canadian funds received at date of issue. The total Canadian dollar liability on such notes at current rates of exchange at December 31, 1982 is greater than the Canadian funds received at date of issue, indicating a contingent future foreign exchange loss of approximately $13,133,000. Foreign exchange conditions in the future could alter this position materially.

4. Related Party Transactions

The Finance Group sold $78,000,000 of consumer mortgages at fair market value to Guaranty Trust Company of Canada.

The Insurance Group sold real property to Guaranty Properties Limited at fair market value of $12,000,000.

General and administrative expenses include an allocation among Guaranty Trust, Guaranty Properties and the Finance Group for the cost of shared head office personnel and facilities.

5. Loss from Factoring Operation

In 1981 the Corporation's investment in its factoring subsidiary was written down to a nominal value and in 1982 the decision to cease writing new business was made with effect from November 1982 as current economic conditions precluded the satisfactory outcome of the major restructuring attempted in 1982.

Accordingly a loss has been recorded in the 1982 financial statements to reflect this decision. The loss provides for the anticipated costs, including costs of terminating employees, disposing of assets and provisions for credit losses, required to close down the operations in 1983.

6. Income Taxes

Certain subsidiaries receive tax-exempt dividend and debenture income. In addition certain items of income and expense are recognized in time periods different for financial reporting than for income tax purposes. The summarized income tax position at December 31, 1982 is as follows:

(i) Guaranty Trust

The Company at December 31, 1982 has cumulative tax losses of $3,900,000 comprised of historical profits less tax-exempt income. The benefits of these losses have not been recorded in the accounts. Mainly as a result of certain elective deductions which the Company has not claimed for tax purposes, there is an additional amount of $14,000,000 available to offset future income for tax filing purposes.

(ii) Guaranty Properties

Deferred income tax liabilities, arising principally from carrying costs of real estate claimed for tax purposes, have been reflected in the financial statements in the amount of $16,600,000. Losses carried forward on a filing basis and recognized in the financial statements amount to $4,500,000 of which $3,500,000 expire in 1986 and $1,000,000 in 1987.

(iii) Finance Group

Deferred income tax liabilities arising principally from direct financing lease contracts are reflected in the financial statements in the amount of $28,000,000.

(iv) Canadian General Insurance Group

Tax losses within the companies comprising this group amounting to $1,428,000 have been recognized in the financial statements.

7. Pension Plans

The Corporation and its subsidiaries have two pension plans which cover substantially all employees. The most recent independent actuarial valuations of the plans were made at January 1, 1982 and showed a surplus which is available to offset future pension costs.

8. Commitments and Contingencies

Outstanding loan and mortgage commitments for future advances are $141,176,000 at December 31, 1982.

The Corporation and certain of its subsidiaries in the normal course of business, have guaranteed letters of credit and bank loans on behalf of customers, and bank loans of associated corporations, in the aggregate amount of $9,000,000 at December 31, 1982.

Legal proceedings against Guaranty Trust, together with the Bank of Montreal, Thorne Riddell Inc., and others, have been commenced in British Columbia and in Alberta, alleging, amongst other things, that Guaranty Trust as trustee under a trust indenture acted improperly in appointing a receiver and manager of the assets of Abacus Cities Ltd., now in bankruptcy. Damages claimed against all defendants total approximately $1,700,000,000. Guaranty Trust is defending these actions and, in the opinion of its legal counsel, Guaranty Trust has a good defence.

9. Other Expenses

	1982	1981
Marketing	**$ 6,239,000**	$ 8,089,000
Data processing	**10,622,000**	8,357,000
Communications	**8,889,000**	9,043,000
All other	**22,033,000**	19,091,000
	$47,783,000	$44,580,000

Trust Company

10. Securities

	1982	1981
Government of Canada and Provinces of Canada	**$34,781,000**	$ 54,709,000
Other securities		
Municipal	**449,000**	1,079,000
Corporation bonds and debentures	**5,642,000**	5,811,000
Stocks	**49,246,000**	51,261,000
(Market value 1982—$49,891,000; 1981—$50,415,000)	**55,337,000**	58,151,000
	$90,118,000	$112,860,000

11. Loans

	1982	1981
Consumer		
Mortgages	**$ 716,126,000**	$ 779,130,000
Personal loans	**398,866,000**	322,534,000
	1,114,992,000	1,101,664,000
Commercial		
Mortgages	**529,176,000**	576,350,000
Corporate term loans	**141,531,000**	111,808,000
Equipment financing	**77,248,000**	71,772,000
Manufacturer and dealer services	**151,310,000**	124,607,000
	899,265,000	884,537,000
	$2,014,257,000	$1,986,201,000

The classification of loans between Consumer and Commercial was redefined in 1982 to reflect current business practice, accordingly the 1981 balances were restated.

12. Guaranteed Trust Account

Included in the balance sheet are assets and liabilities of the guaranteed trust account of $2,473,240,000 (1981—$2,428,289,000).

Finance Group

13. Finance Receivables

(i) Consumer

Consumer	1982	1981
Personal loans	**$232,297,000**	$233,973,000
Retail	**11,371,000**	23,342,000
Mortgages	**45,627,000**	111,883,000
Home improvements	**2,671,000**	24,438,000
Other	**24,420,000**	38,923,000
	$316,386,000	$432,559,000
Commercial		
Equipment financing	**$ 52,819,000**	$ 87,500,000
Commercial loans	**1,611,000**	1,970,000
Leasing	**87,447,000**	103,980,000
	$141,877,000	$193,450,000

(ii) Maturities

Finance receivables due within one year are $232,000,000 (1981—$300,000,000).

(iii) Direct financing lease contracts

The Corporation has the following net investment in direct financing lease contracts:

Commercial receivables	1982	1981
Aggregate rentals receivable	**$84,968,000**	$101,373,000
Residuals on expiry of leases		
Contractual	**693,000**	815,000
Non-contractual	**1,786,000**	1,792,000
	87,447,000	103,980,000
Unearned income	**21,280,000**	26,517,000
	$66,167,000	$ 77,463,000

Consolidated Capitalization December 31, 1982

Finance Group Debt Summary

Secured Debt	Due within one year	Due beyond one year	Total
Senior Secured Debt			
Short term notes	$ 78,259,000	$ —	$ 78,259,000
Medium term notes	36,082,000	—	36,082,000
Long term notes	49,120,000	136,198,000	185,318,000
Other Secured Debt	1,935,000	21,051,000	22,986,000
	165,396,000	157,249,000	322,645,000
Unsecured Debt			
Debentures	11,778,000	57,079,000	68,857,000
Other	4,616,000	—	4,616,000
	$181,790,000	$214,328,000	$396,118,000

Senior Secured Debt

The senior secured notes of the Corporation are secured by a first specific charge on finance receivables and eligible securities, a first floating charge on the undertaking and certain other property and assets of the Corporation and are protected by operating restrictions provided in borrowing agreements.

Long Term Notes

Series	Maturity date	Annual sinking fund or maximum annual purchase fund	Outstanding
5¾% Z	April 15, 1983	$ —	$ 6,323,000
5¼% AA (i)	May 15, 1983	—	11,364,000
9¼% AU	August 15, 1983	—	24,882,000
5¾% AB	May 1, 1984	250,000	5,670,000
9½% AT	June 15, 1984	600,000	24,438,000
5¾% AC	September 15, 1984	375,000	8,005,000
5¾% AD	April 15, 1985	375,000	8,174,000
6¼% AE (i)	April 1, 1986	—	13,457,000
7¾% AH	December 1,1986	79,000	1,626,000
7¼% AI (i)	July 1, 1987	—	19,034,000
7¾% AJ	September 15, 1987	125,000	3,305,000
8% AK (i)	December 1, 1988	923,000	10,736,000
8¾% AL	December 15, 1988	8,000	212,000
9¾% AM	December 15, 1989	29,000	1,014,000
9½% AN	May 15, 1990	5,000	213,000
10½% AO (i)	October 15, 1990	1,126,000	10,460,000
9% AP	February 15, 1991	625,000	16,271,000
10⅞% AR (i)	March 15, 1991	1,850,000	16,715,000
11¼% AQ	January 6, 1995	181,000	3,419,000
		$6,551,000	$185,318,000

(i) U.S. dollar issues.

Other Secured Debt

The Corporation has obligations of $14,506,000 secured on leased property, bearing interest rates from 8.35% to 10.25% and payable from 1983 through 1990.

Debentures

Series	Maturity date	Annual sinking fund or maximum annual purchase fund	Outstanding
6%	November 1, 1984	$ 180,000	$ 3,576,000
6%	June 1, 1985	120,000	2,568,000
14¾%	June 15, 1990	381,000	6,610,000
11½%	November 1, 1990	238,000	4,211,000
10¾%	April 15, 1991 (i)	300,000	9,452,000
9½%	June 15, 1991	106,000	2,951,000
9¾%	April 15, 1992 (i)	300,000	9,081,000
8¾%	October 15, 1992	51,000	2,044,000
10¼%	April 15, 1993 (i)	200,000	9,646,000
8¾%	May 1, 1993	375,000	9,342,000
9%	October 15, 1993	375,000	9,376,000
		$2,626,000	$68,857,000

(i) The holders of these series have the right to elect an early maturity date for such debentures. The Corporation has the right to increase the interest rates on such series.

Share Capital

Cumulative redeemable preferred shares

	Authorized		Issued and Outstanding	
	Shares	Amount	Shares	Amount
4½%, par value $100	35,000	$ 3,500,000	35,000	$ 3,500,000
Less: held by subsidiaries			5,135	513,000
			29,865	2,987,000
5%, par value $40	29,149	1,166,000	29,099	1,164,000
Less: cancelled by purchase during 1982			—	—
			29,099	1,164,000
Shares issuable in series,				
par value $30	351,917	10,558,000		
Series A, 5%			41,213	1,236,000
Less: cancelled by purchase during 1982			1,800	54,000
			39,413	1,182,000
Series B, $2.16			187,541	5,626,000
Less: cancelled by purchase during 1982			10,595	318,000
			176,946	5,308,000
Shares issuable in series,				
par value $10	5,000,000	50,000,000		
10¼% preferred shares			714,001	7,140,000
Less: cancelled by purchase during 1982			18,370	184,000
			695,631	6,956,000
7.5%, par value $50	331,100	16,555,000	299,807	14,991,000
Less: cancelled by purchase during 1982			11,235	562,000
			288,572	14,429,000
				$32,026,000

The terms of issue of preferred shares issued in series include provisions by which the Corporation is to provide (subject to certain conditions) an annual purchase fund for the purchase and cancellation of these preferred shares in the aggregate amount of $1,399,000.

Consolidated Capitalization
December 31, 1982
(concluded)

Common shares without nominal or par value	Authorized	Issued and Outstanding	
	Shares	Shares	Amount
Class A	unlimited	6,546,181	$63,985,000
Class B	720,000	720,000	480,000
		7,266,181	$64,465,000
Less: elimination of shares held through a subsidiary (i)		2,199,273	
Common shares effectively outstanding		5,066,908	

(i) The common shares of Traders Group Limited held directly and indirectly through a subsidiary for a total cost of $28,837,000 have been eliminated on consolidation as noted below.

Class A	1,723,389
Class B	475,884
Total common shares	2,199,273

In August 1982, the Corporation introduced a Dividend Reinvestment Plan and a Stock Dividend Program under which eligible holders of Class A non-voting shares and Class B Common shares may elect to acquire new Class A non-voting shares at 95% of the average market price through the reinvestment of dividends.

Summary of Accounting Policies

Principles of Consolidation

The consolidated financial statements are prepared in accordance with generally accepted accounting principles in Canada.

Financial data covering the Corporation's significant business segments are included in the summarized financial information of subsidiaries which is an integral part of the consolidated financial statements.

Foreign Exchange

Foreign currency receivables and debt of the Corporation due within one year are translated to Canadian dollars at either the exchange rate at balance sheet date or at forward contract rates where such contracts have been made. Foreign currency receivables and debt of the Corporation due beyond one year are included in the consolidated financial statements at the Canadian dollar amount received at date of issue.

Other assets and liabilities in foreign currencies are translated to Canadian dollars at the exchange rate at balance sheet date.

The financial statements of foreign subsidiaries have been translated to Canadian dollars at the exchange rate in effect at the balance sheet date.

Realized gains or losses arising from market fluctuations are reflected in current operations, while those arising from revaluation of currencies are recorded as extraordinary items.

Depreciation and Amortization

Property and equipment are carried at cost and depreciated over estimated productive lives or terms of the lease using various rates and methods.

Trust Company Accounting

Securities are stated at amortized cost except for corporate notes and stocks which are stated at cost. Loans are stated at cost less any provision for losses which management considers necessary in the circumstances.

Income is recorded on an accrual basis. Discounts or premiums on the purchase of government bonds are amortized on a yield to maturity basis. Discounts or premiums on the other bonds and loans are amortized on a straight-line basis over the term to maturity.

Realized gains or losses on investments are included in the statement of income.

The Company follows accrual accounting for all corporate services it provides including the stock transfer agency business. Accrual accounting is also followed for most fees arising from the estate, trust and agency business.

Guaranty Properties Accounting

Income on land sales is recorded after all material conditions have been fulfilled and at least 15% of the sale price has been received in cash.

Land is carried at the lower of cost including direct carrying charges (primarily interest and realty taxes) and development costs to date, and estimated net realizable value at the time of sale.

The proportionate share of the individual assets, liabilities, income and expenses of real estate associated corporations and joint ventures is included in the consolidated financial statements.

Finance Accounting

Unearned income on direct financing lease contracts and certain long term instalment contracts is computed on an actuarial yield basis. Unearned income on other instalment contracts is computed by the sum of the digits method.

Income from interest bearing loans is recorded on an accrual basis.

Insurance Accounting

Net written premiums are included in income evenly over the term of the policies. Deferred acquisition expenses, which include commissions paid net of reinsurance commissions received, and premium taxes incurred during the year are amortized to income over the periods in which the premiums are earned. The method used limits the amount deferred to the amount recoverable.

The Companies follow the policy of underwriting and reinsuring contracts of insurance which, in the main, limit the liability of the Companies to a maximum amount on any one loss, in the event of a claim. In addition, the Companies have obtained reinsurance which limits the Companies' liability, in the event of a series of claims arising out of a single occurrence.

Premium income is recorded net of amounts ceded to reinsurers and commissions and losses are recorded net of reinsurance recoveries.

Reinsurance ceded does not however, relieve the Companies of their ultimate liability to their insureds in the event that any reinsurer is unable to meet their obligations under the reinsurance agreements.

The provision for outstanding losses includes estimated provision for all costs of investigation and settlement of claims incurred prior to the balance sheet date. Anticipated salvage and subrogation recoveries are not recorded until received.

Bonds and mortgages are carried at amortized cost. Stocks are carried at cost. Gains and losses on disposal are recognized in income when realized.

Operating Policies, Finance Group

Accounting Policies

Accounting policies with respect to the Corporation, including the Finance Group, are presented on page 26, opposite, as an integral part of the consolidated financial statements.

Lending Policies

Loan applications are subject to prudent credit policies. Maximum credit limits for the various levels of management are recommended by the Credit Committee and ratified by the Executive Committee of the Board of Directors.

Credit levels for management are recommended by the next level of authority and approval is granted by the level above the recommending level. Specific credit granting authority is assigned to eligible employees in each division according to the employee's experience, credit record, portfolio knowledge and overall credit assessment capability.

All loans of $5 million and over are approved by the Executive Committee with the exception of the corporate term loan portfolio, where loans of $4 million and over require such approval.

All loans of $1 million and above are automatically reported to the Executive Committee.

Renewals

A renewal is the processing of a new account to pay out an existing account for the same customer. It is an accommodation, for customer requirements, of reduced instalments, extended terms and/or additional funds. New documentation is completed with the customer and the appropriate guarantors. Credit authorization is the same as for new customer accounts except for the Corporate Lending division which requires approval by the Zone level or above for renewals.

Extensions

An extension is the deferment of an instalment to a later date as a temporary accommodation for the customer. Extensions are carefully monitored by management to ensure they comply with the policies established for each portfolio.

Delinquencies

Delinquency for direct cash loans and sales financing in the personal loan portfolio is determined on both a contractual and recency of payment basis. Delinquency on all other accounts is determined only on a contractual basis. An account is contractually delinquent when the current month's instalment plus more than 10% of the previous month's instalment remains unpaid. An account is delinquent by recency when no payment has been received for 60 days or more.

Accrual of Interest

It is general policy of the Corporation to cease accrual of interest on the identification of a situation where, in the opinion of management, prudence and conservatism would require non-accrual, or when an account is in foreclosure, power of sale or repossession.

Write-offs of Finance Receivables

Credit losses are written off monthly as soon as they are identified, and after all reasonable effort has been made to effect recovery from the obligant, collateral and/or guarantor. In addition direct cash loans are written off if at least 10% of a contractual payment has not been received in the last six calendar months and personal finance receivables will be written off if no instalment has been received for nine months. Residential mortgages are written off if a full instalment has not been received in the last twelve calendar months unless an extension is approved by Head Office.

Allowance for Credit Losses

An allowance for credit losses is established as a result of regular detailed analyses of individual delinquent accounts. In addition to specific allowances, a general allowance is established. This is based on a percentage of outstanding receivables determined by the characteristics of the particular class of receivables, past write-off experience, and other related considerations. The Credit Committee approves these allowances which are reviewed by the Corporation's auditors.

December 31	1982	1981	1980	1979	1978
Consolidated Condensed Statement of Income					
Gross income					
Trust company	**$ 374,931,000**	$ 335,137,000	$ 250,004,000	$ 194,518,000	$ 155,128,000
Guaranty Properties	**28,463,000**	20,628,000	17,494,000	21,997,000	19,309,000
Finance Group	**96,785,000**	125,505,000	137,380,000	139,185,000	130,883,000
Insurance Group	**138,920,000**	128,540,000	112,088,000	103,652,000	84,017,000
Gain on sale of investments	**93,000**	2,223,000	1,561,000	1,298,000	350,000
	639,192,000	612,033,000	518,527,000	460,650,000	389,687,000
Expenses					
Interest expense	**356,041,000**	352,212,000	279,983,000	231,639,000	178,648,000
Cost of property sales and write-down of land inventory	**16,745,000**	12,311,000	6,423,000	12,309,000	12,020,000
Insurance claims	**98,153,000**	101,559,000	79,225,000	68,686,000	51,259,000
Insurance commissions and premium taxes	**20,558,000**	18,375,000	17,998,000	18,195,000	14,759,000
Credit losses	**18,532,000**	9,779,000	14,468,000	19,494,000	17,250,000
Salaries and staff benefits	**60,937,000**	58,915,000	55,467,000	52,967,000	50,366,000
Premises including depreciation	**13,264,000**	12,093,000	11,751,000	11,556,000	10,215,000
Other expenses	**47,783,000**	44,580,000	39,477,000	35,721,000	32,557,000
	632,013,000	609,824,000	504,792,000	450,567,000	367,074,000
Income before income taxes and minority interest	**7,179,000**	2,209,000	13,735,000	10,083,000	22,613,000
Income taxes (current and deferred)	**1,716,000**	(1,999,000)	2,555,000	1,629,000	7,344,000
Net operating income	**5,463,000**	4,208,000	11,180,000	8,454,000	15,269,000
Minority interest and consolidation adjustments	**1,219,000**	1,017,000	(426,000)	(889,000)	920,000
Net operating income from continuing operations	**4,244,000**	3,191,000	11,606,000	9,343,000	14,349,000
(Loss) net income from discontinued operation	**—**	—	(1,866,000)	896,000	(338,000)
Loss from factoring operation	**(1,590,000)**	(526,000)	—	—	—
Net income for the year	**$ 2,654,000**	$ 2,665,000	$ 9,740,000	$ 10,239,000	$ 14,011,000
Available for					
Preferred shares	**$ 2,464,000**	$ 2,545,000	$ 2,588,000	$ 2,614,000	$ 2,661,000
Common shares	**190,000**	120,000	7,152,000	7,625,000	11,350,000
	$ 2,654,000	$ 2,665,000	$ 9,740,000	$ 10,239,000	$ 14,011,000
Earnings per common share	**$0.04**	$0.02	$1.40	$1.54	$2.32
Dividends declared per common share	**0.40**	1.03¾	1.25	1.25	1.25
Return on average annual common equity	**0.16%**	0.10%	5.89%	6.41%	9.93%

Five Year Statistical Review

December 31	1982	1981	1980	1979	1978
Consolidated Assets					
Trust company	**$2,493,957,000**	$2,511,171,000	$2,207,154,000	$1,928,648,000	$1,645,552,000
Guaranty Properties	**154,985,000**	145,702,000	117,696,000	90,529,000	42,041,000
Finance Group	**494,038,000**	668,791,000	847,506,000	1,003,017,000	1,002,044,000
Insurance Group	**192,033,000**	182,341,000	167,858,000	159,841,000	139,608,000
Other assets	**64,831,000**	60,869,000	53,529,000	42,808,000	36,968,000
	$3,399,844,000	$3,568,874,000	$3,393,743,000	$3,224,843,000	$2,866,213,000
Consolidated Capitalization					
Finance Group Debt					
Secured Debt					
Short term	**$ 78,259,000**	$ 155,033,000	$ 174,481,000	$ 254,584,000	$ 229,298,000
Medium term	**36,082,000**	30,210,000	96,068,000	93,795,000	62,837,000
Long term	**185,318,000**	224,183,000	242,788,000	250,304,000	275,922,000
Other secured	**22,986,000**	16,269,000	17,884,000	19,421,000	20,790,000
	322,645,000	425,695,000	531,221,000	618,104,000	588,847,000
Debentures and Subordinated Notes	**68,857,000**	86,013,000	103,112,000	110,112,000	112,297,000
Other	**4,616,000**	10,229,000	16,274,000	36,020,000	28,553,000
	396,118,000	521,937,000	650,607,000	764,236,000	729,697,000
Shareholders' equity and minority interest	**145,155,000**	150,018,000	158,473,000	159,494,000	156,221,000
	$ 541,273,000	$ 671,955,000	$ 809,080,000	$ 923,730,000	$ 885,918,000
Book value per share	**$ 22.74**	$ 22.99	$ 23.77	$ 23.67	$ 23.89
Net Income (Loss) by Line of Business					
Trust company	**$ 2,719,000**	$ 757,000	$ 4,004,000	$ 3,007,000	$ 4,624,000
Guaranty Properties	**1,002,000**	1,632,000	3,607,000	3,471,000	3,267,000
Finance Group	**(2,495,000)**	1,034,000	(577,000)	(431,000)	2,565,000
Insurance Group	**1,428,000**	(758,000)	2,706,000	4,192,000	3,555,000
Consolidated net income	**$ 2,654,000**	$ 2,665,000	$ 9,740,000	$ 10,239,000	$ 14,011,000
Number of:					
Weighted average number of common shares outstanding	**5,067,000**	5,069,000	5,122,000	4,941,000	4,884,000
Employees	**3,102**	3,458	3,526	3,507	3,465

Quarterly Analysis of Rate Spread and Net Earnings by Source

(In thousands of dollars where applicable)

		Net Rate Spread		Net Earnings					
Quarter		Trust[1]	Finance[2, 3]	Trust	Property	Finance	Insurance	Total	Per Share
1978	Q1	1.48%	8.52%	$1,226	$ 278	$1,772	$ 283	$ 3,559	$ 0.59
	Q2	1.48	8.26	1,121	1,409	1,237	1,403	5,170	0.92
	Q3	1.36	7.96	983	1,351	679	548	3,561	0.60
	Q4	1.36	8.02	1,294	229	(1,123)	1,321	1,721	0.21
		1.43	8.18	4,624	3,267	2,565	3,555	14,011	2.32
1979	Q1	1.12	6.99	608	308	698	632	2,246	0.33
	Q2	1.24	6.73	984	(140)	497	1,591	2,932	0.46
	Q3	1.31	6.69	960	132	590	1,471	3,153	0.51
	Q4	1.14	5.99	455	3,171	(2,216)	498	1,908	0.24
		1.20	6.59	3,007	3,471	(431)	4,192	10,239	1.54
1980	Q1	1.19	5.83	482	223	857	(279)	1,283	0.12
	Q2	1.24	6.18	1,294	23	(1,219)	1,666	1,764	0.22
	Q3	1.28	6.62	1,341	475	(17)	463	2,262	0.32
	Q4	1.34	7.02	887	2,886	(198)	856	4,431	0.74
		1.26	6.41	4,004	3,607	(577)	2,706	9,740	1.40
1981	Q1	1.12	7.15	568	887	862	(630)	1,687	0.20
	Q2	0.85	7.48	(128)	393	535	238	1,038	0.09
	Q3	0.29	7.86	(4,089)	(32)	394	548	(3,179)	(0.76)
	Q4	0.62	6.98	4,406	384	(757)	(914)	3,119	0.49
		0.71	7.36	757	1,632	1,034	(758)	2,665	0.02
1982	**Q1**	**0.77**	**8.57**	**4**	**732**	**312**	**(1,614)**	**(566)**	**(0.23)**
	Q2	**0.96**	**9.81**	**(265)**	**1,161**	**(1,244)**	**965**	**617**	**—**
	Q3	**1.09**	**11.29**	**843**	**107**	**(990)**	**1,236**	**1,196**	**0.11**
	Q4	**1.39**	**10.71**	**2,137**	**(998)**	**(573)**	**841**	**1,407**	**0.16**
		1.06	**9.71**	**$2,719**	**$1,002**	**$(2,495)**	**$1,428**	**$2,654**	**$ 0.04**

Notes: [1] Rate earned on investments (excluding fee income) less rate paid on deposits. Taxable equivalent basis for all periods except for the second, third and fourth quarters of 1981, wherein income tax credits are no longer available due to the uncertainty of future realization.

[2] Gross yield on average funds in use less the average total cost of borrowed money. Includes the carrying costs of investments in Guaranty Trust, Insurance Group and Guaranty Properties. Excludes credit losses.

[3] Revised for 1981 to exclude Aetna Financial Services Limited.

Comparison of Maturities of Finance Receivables with Debt

($ millions)	1983	1984	1985	1986	1987	1988 1992	1993 1997	Total
Finance Receivables								
Consumer								
Personal loans	$119.6	$ 66.1	$ 32.1	$ 10.2	$ 2.9	$ 1.4	$ —	$232.3
Retail	8.0	2.6	0.7	0.1	—	—	—	11.4
Mortgages	28.7	13.4	3.2	0.3	—	—	—	45.6
Home improvements	1.0	1.3	0.4	—	—	—	—	2.7
Other	18.9	4.5	1.0	—	—	—	—	24.4
	176.2	87.9	37.4	10.6	2.9	1.4	—	316.4
Commercial								
Equipment financing	34.6	11.7	3.8	2.6	0.1	—	—	52.8
Commercial loans	0.1	0.1	1.2	0.2	—	—	—	1.6
Leasing	12.9	11.8	10.7	9.3	9.4	33.4	—	87.5
Factoring and International	8.2	—	—	—	—	—	—	8.2
	$232.0	$111.5	$ 53.1	$ 22.7	$ 12.4	$ 34.8	$ —	$466.5
Debt								
Short term notes								
Commercial paper	$ 78.3	$ —	$ —	$ —	$ —	$ —	$ —	$ 78.3
Medium term notes	36.1	—	—	—	—	—	—	36.1
Long term notes	49.1	41.5	11.7	19.0	25.9	35.6	2.5	185.3
Other Secured Debt	1.9	2.1	2.2	2.5	10.9	3.4	—	23.0
	165.4	43.6	13.9	21.5	36.8	39.0	2.5	322.7
Debentures	11.8	14.0	13.1	1.5	1.5	11.9	15.0	68.8
Other	4.6	—	—	—	—	—	—	4.6
	$181.8	$ 57.6	$ 27.0	$ 23.0	$ 38.3	$ 50.9	$ 17.5	$396.1

GUARANTY TRUST COMPANY OF CANADA

Asset and Liability Management

Asset and Liability Maturity and Mix

In 1982 the recession limited the Company's opportunities for lending on a basis of acceptable risk. Accordingly the level of assets was virtually unchanged from the prior year-end. During the year depositors continued to prefer deposits maturing in one year or less in view of the general uncertainty of the direction of interest rates. In response to this preference, management continued to emphasize lending on a short-term or floating rate basis. The effect of this was that the asset mix remained similar to that of the prior year.

Interest Rate Sensitivity

It is the primary objective of management to ensure that deposits are matched by investments of similar maturity and interest type. Achievement of this objective results in satisfactory and stable net interest income levels without exposing future interest spreads to unanticipated and uncontrollable interest rate fluctuations. The Company has achieved considerable success in 1982 in reducing the disparity between rate sensitive and fixed rate assets and deposits and in so doing has strengthened the Company's profitability base. In addition, the Company has increased the portion of portfolios maturing in one year or on an interest sensitive basis from 51 percent in the prior year to 63 percent at December 31, 1982.

The long term mortgage and bond portfolio was reduced by $36 million in 1982 to $242 million at year-end.

Financial Analysis

ASSET AND LIABILITY MATURITY AND MIX
($ millions)

	Rate sensitive and within one year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	After 5 years	Other	December 31, 1982 Total	December 31, 1982 %	December 31, 1981 Total	December 31, 1981 %
Assets											
Cash and bank deposit receipts	$ 365	$ —	$ —	$ —	$ —	$ —	$ —	**$ 365**	**14**	$ 385	15
Securities and other investments	38	2	11	17	26	58	—	**152**	**6**	112	4
Consumer loans	650	285	127	25	8	20	—	**1,115**	**43**	1,102	43
Commercial loans	554	156	69	11	11	98	—	**899**	**35**	885	35
Other assets	25	—	—	—	—	—	42	**67**	**2**	66	3
	$1,632	$443	$207	$53	$ 45	$176	$ 42	**$2,598**	**100**	$2,550	100
%—1982	**63**	**17**	**8**	**2**	**2**	**7**	**1**		**100**		—
%—1981	51	16	16	7	1	7	2				100
Liabilities and Equity											
Demand	$ 658	$ —	$ —	$ —	$ —	$ —	$ —	**$ 658**	**25**	$ 623	25
Time	275	—	—	—	—	—	—	**275**	**11**	317	12
Term	831	292	212	51	49	—	—	**1,435**	**55**	1,401	55
Other liabilities and equity	86	—	—	—	—	—	144	**230**	**9**	209	8
	$1,850	$292	$212	$51	$ 49	$ —	$ 144	**$2,598**	**100**	$2,550	100
%—1982	**71**	**11**	**8**	**2**	**2**	**—**	**6**		**100**		—
%—1981	65	12	9	6	2	—	6				100
Asset Surplus (Deficiency)											
at December 31, 1982	**$ (218)**	**$151**	**$ (5)**	**$ 2**	**$ (4)**	**$176**	**$(102)**				
at December 31, 1981	$ (360)	$ 85	$174	$26	$(10)	$189	$(104)				

INTEREST RATE SENSITIVITY
($ millions)

	1982				1981			
		Fixed Rate				Fixed Rate		
	Rate sensitive	**Under 1 yr.**	**Over 1 yr.**	**Total**	Rate sensitive	Under 1 yr.	Over 1 yr.	Total
Assets								
Cash and bank deposit receipts	**$ 365**	**$ —**	**$ —**	**$ 365**	$ 385	$ —	$ —	$ 385
Securities and other investments	**18**	**20**	**114**	**152**	6	22	84	112
Consumer loans	**114**	**536**	**465**	**1,115**	314	554	1,119	1,987
Commercial loans	**356**	**198**	**345**	**899**				
Other assets	**25**	**—**	**42**	**67**	27	—	39	66
	$ 878	**$754**	**$966**	**$2,598**	$ 732	$576	$1,242	$2,550
	34%	**29%**	**37%**	**100%**	29%	22%	49%	100%
Deposits								
Demand	**$ 658**	**$ —**	**$ —**	**$ 658**	$ 623	$ —	$ —	$ 623
Time	**275**	**—**	**—**	**275**	317	—	—	317
Term	**—**	**831**	**604**	**1,435**	—	662	739	1,401
	933	**831**	**604**	**2,368**	940	662	739	2,341
Other liabilities	**86**	**—**	**24**	**110**	66	—	25	91
Preferred shares	**—**	**—**	**13**	**13**	—	—	14	14
	$1,019	**$831**	**$641**	**$2,491**	$1,006	$662	$778	$2,446
	41%	**33%**	**26%**	**100%**	41%	27%	32%	100%
Asset Surplus (Deficiency)								
at December 31	**$ (141)**	**$(77)**	**$325**	**$ 107***	$ (274)	$(86)	$ 464	$ 104*

*Represents common equity

Directors, Committees and Officers

Board of Directors

JOHN P. BASSEL, Q.C.
Partner
Bassel, Sullivan & Leake
Barristers and Solicitors
Toronto, Ontario

ROBERT E. BETHELL
President and
Chief Executive Officer
Canadian General
Insurance Group
Toronto, Ontario

W. JOHN A. BULMAN
President
The Bulman Group Limited
Winnipeg, Manitoba

E. WALLACE FLANAGAN
President
Traders Group Limited
Calgary, Alberta

IRVING R. GERSTEIN
President
Peoples Jewellers Limited
Toronto, Ontario

ROBERT G. GRAHAM
President and Chief Executive
Officer
Inter-City Gas Corporation
Winnipeg, Manitoba

WILLIAM A. HEASLIP
Chairman, President and
Chief Executive Officer
Grafton Group Limited
Toronto, Ontario

ALAN R. MARCHMENT, F.C.A.
Chairman of the Board
and Chief Executive Officer
Traders Group Limited
Toronto, Ontario

FREDERIC Y. McCUTCHEON
President
Arachnae Management Limited
Toronto, Ontario

JAMES W. McCUTCHEON, Q.C.
Partner
Shibley, Righton & McCutcheon
Barristers and Solicitors
Toronto, Ontario

E. LLEWELLYN G. SMITH
Chairman and President
E. D. Smith & Sons Limited
Winona, Ontario

DONALD I. WEBB, F.C.A.
Financial Consultant
Toronto, Ontario

Committees

Executive

Chairman:
James W. McCutcheon, Q.C.

J. P. Bassel, Q.C., I. R. Gerstein, R. G. Graham, A. R. Marchment, F. Y. McCutcheon

Function: During intervals between meetings of the Board of Directors, the Executive Committee has all the powers of the Board except those powers that are required by legislation or Corporation by-law to be exercised by the Board itself.

Finance

Chairman:
Frederic Y. McCutcheon

A. R. Marchment, James W. McCutcheon, Q.C., D. I. Webb

Function: The Finance Committee reviews and makes recommendations with respect to the Corporation's capitalization program.

Audit

Chairman:
Irving R. Gerstein

J. P. Bassel, Q.C., W. J. A. Bulman, James W. McCutcheon, Q.C.

Function: The Audit Committee reviews financial information intended for publication, and the adequacy thereof, before such information is submitted to the Board. It also reviews, on a continuing basis, control procedures in effect throughout the Corporation.

Pension Plans Trustees

Chairman:
Alan R. Marchment

R. E. Bethell, F. Y. McCutcheon

Function: The Pension Plans Trustees review and make recommendations with respect to the funding of employee pension benefits, the selection of investment managers and funding vehicles, the investment return objectives and the investment strategies and performance for the Traders and subsidiaries pension plans.

Compensation

Chairman:
James W. McCutcheon, Q.C.

W. J. A. Bulman, I. R. Gerstein, R. G. Graham, A. R. Marchment

Function: The Compensation Committee reviews manpower planning and the performance of management personnel and makes recommendations to the Board concerning executive compensation.

Officers

ALAN R. MARCHMENT, F.C.A.
Chairman of the Board and
Chief Executive Officer

E. WALLACE FLANAGAN
President

Senior Vice Presidents

EDWIN W. AUSTIN, C.A.
Finance and Administration

J. DOUGLAS DERBYSHIRE

Vice Presidents

ROBERT W. CHISHOLM, C.A.
Controller

GEORGE E. WHITLEY, Q.C.
Secretary and General Counsel

Subsidiaries and Bankers

Executive Officers of Subsidiaries

GUARANTY TRUST COMPANY OF CANADA

Alan R. Marchment
Chairman of the Board, President and Chief Executive Officer

E. Wallace Flanagan
Vice Chairman of the Board

CANADIAN GENERAL INSURANCE GROUP:
CANADIAN GENERAL INSURANCE COMPANY
TORONTO GENERAL INSURANCE COMPANY
TRADERS GENERAL INSURANCE COMPANY

Frederic Y. McCutcheon
Chairman of the Board

Robert E. Bethell
President and Chief Executive Officer

CANADIAN GENERAL LIFE INSURANCE COMPANY

Frederic Y. McCutcheon
Chairman of the Board

Charles P. Flood
President

AETNA FINANCIAL SERVICES LIMITED

Alan R. Marchment
Chairman of the Board

J. Douglas Derbyshire
President

GUARANTY PROPERTIES LIMITED

Alan R. Marchment
Chairman of the Board

Glenn D. Wallace
President

Holdings in Consolidated Subsidiaries December 31, 1982

	Effective % held by Traders
Trust Company	
Guaranty Trust Company of Canada	99.7%
Guaranty Properties Limited	99.7
Finance Group	
Trans Canada Credit Corporation Limited	100.0
Trans Canada Credit Realty Limited	100.0
Traders Finance Corporation (1966) Limited	100.0
Traders Homeplan Limited	99.9
Aetna Financial Services Limited	60.0
Traders Finance S.A. and subsidiaries	100.0
Traders Finance Corporation (1976) Limited	100.0
Montrad Inc.	100.0
Insurance	
Canadian General Insurance Company	99.5
Toronto General Insurance Company	98.9
Traders General Insurance Company	99.5
Canadian General Life Insurance Company	98.8

Bankers

In Canada

Bank of British Columbia
Bank of Montreal
The Bank of Nova Scotia
Canadian Imperial Bank of Commerce
The Mercantile Bank of Canada
National Bank of Canada
The Royal Bank of Canada
Swiss Bank Corporation (Canada)
The Toronto-Dominion Bank

In the United States of America

AmeriTrust Company
First National Bank of Chicago
Manufacturers Hanover Trust Company
Manufacturers National Bank of Detroit

Guaranty Trust Company of Canada

MICHAEL A. HASLEY
Executive Vice-President

Guaranty Trust Branch Operations

625 Church Street
Toronto, Ontario
WILLIAM J. PERKINS
Senior Vice-President

Toronto Main
366 Bay Street
Toronto, Ontario
M. J. Broadbent
Regional Vice-President

Ontario Central
625 Church Street
Toronto, Ontario
A. R. Mitchell
Regional Vice-President

Ontario West
305 Victoria Avenue
Windsor, Ontario
R. A. Thompson
Regional Vice-President

Ontario East and Quebec
109 Bank Street
Ottawa, Ontario
D. K. Bogert
Regional Vice-President

Ontario North, Manitoba and Saskatchewan
105 Durham Street South
Sudbury, Ontario
E. D. Skuce
Regional Vice-President

British Columbia and Alberta
800 West Pender Street
Vancouver, British Columbia
P. H. Hebb
Regional Vice-President

Guaranty Trust Consumer Lending

625 Church Street
Toronto, Ontario
REIN W. CRECELIUS
Senior Vice-President
J. A. Farrer
Assistant Vice-President

Residential and Consumer Lending
R. C. Hodges
Vice-President

T. R. Carnegie
Assistant Vice-President
J. W. Howell
Assistant Vice-President

VISA
R. S. B. Barlow
Assistant Vice-President

Guaranty Trust Corporate Lending

625 Church Street
Toronto, Ontario
WILLIAM J. COCHRANE
Senior Vice-President

L. L. Clinesmith
Assistant Vice-President
J. F. Johnston
Assistant Vice-President
E. Nutter
Assistant Vice-President

Commercial Lending
J. G. Hunter
Vice-President
A. B. Duff
Assistant Vice-President
R. S. Campbell
Assistant Vice-President
P. Gosselin
Assistant Vice-President

Corporate Lending
S. D. Arnott
Vice-President
D. J. Davison
Assistant Vice-President
W. J. Ferguson
Assistant Vice-President
J. S. Ridout
Assistant Vice-President

Guaranty Trust Investment and Trust Services

366 Bay Street
Toronto, Ontario
E. AUSTIN FRICKER, C.A.
Senior Vice-President

Corporate Trust Services
G. A. Morin
Vice-President
R. K. Weller
Assistant Vice-President
Pension Services
W. E. Brolly
Assistant Vice-President
Stock Transfer
M. MacGirr
National Manager
Corporate Trust

Personal Trust Services
T. A. W. Duncan
Vice-President
D. J. Sutton
Assistant Vice-President
Personal Trust
K. Drabble
Assistant Vice-President
Personal Trust
M. Seaton
Assistant Vice-President
Investment Funds

Investments
P. A. Spark
Vice-President

Personnel and Locations

Guaranty Properties Limited

625 Church Street
Toronto, Ontario

GLENN D. WALLACE
President

S. M. Schaffran, C.A.
Vice-President

J. Armstrong
Regional Manager

Western Division
156 Victoria Trail
Shopping Centre
550 Clareview Drive
Edmonton, Alberta

C. J. Small
Vice-President

Property Management
R. A. Steeves
Manager

Montrad Inc.
Alexis Nihon Plaza
1500 Atwater Avenue
Montreal, Quebec

G. St. Pierre
General Manager

Guaranty Trust Real Estate

625 Church Street
Toronto, Ontario

THOMAS R. MERRICK
Vice-President

Relocation Services
G. McWilliams
Manager

Traders Personal Financial Services

625 Church Street
Toronto, Ontario

GARNET H. GREENFIELD
Senior Vice-President

A. M. Cline
Vice-President

Quebec Division
Suite 540
3 Place Laval
Laval, Quebec

J. Dunberry
Vice-President

Western Zone
2426A Douglas Crescent
Post Office Box 3188
Langley, British Columbia

T. L. Sallenbach
Assistant Vice-President

Ontario Zone
Suite 401
703 Evans Avenue
Etobicoke, Ontario

J. E. Van Leeuwen
Assistant Vice-President

Eastern Zone
Suite 711
6080 Young Street
Halifax, Nova Scotia

R. A. Wilson
Assistant Vice-President

Aetna Financial Services Limited

4150 St. Catherine
Street West
Montreal, Quebec

J. DOUGLAS DERBYSHIRE
President

J. P. Lafontaine
Vice-President

Canadian General Insurance Group

Canadian General Insurance Company

Toronto General Insurance Company

Traders General Insurance Company

170 University Avenue
Toronto, Ontario

ROBERT E. BETHELL
President and
Chief Executive Officer

David G. Robinson
Senior Vice-President

L. Bernard Bowden
Senior Vice-President

Thomas W. Winnett
Senior Vice-President

Western Region
Suite 800
10010 - 106th Street
Edmonton, Alberta

F. J. Melenka
Regional Manager

Ontario Region
170 University Avenue
Toronto, Ontario

Quebec Region
Place Sherbrooke
Suite 400
1010 Sherbrooke Street West
Montreal, Quebec

M. Laramee
Regional Manager

Atlantic Region
Suite 808
6080 Young Street
Halifax, Nova Scotia

A. G. Hunter
Regional Manager

Canadian General Life Insurance Company
Post Office Box 918
Suite 702
105 Main Street East
Hamilton, Ontario

CHARLES P. FLOOD
President

Toronto General Insurance Company Reinsurance
170 University Avenue
Toronto, Ontario

KEITH J. HOLLAND
Executive Vice-President

Guaranty Trust Company of Canada

Consumer

Savings and Chequing Accounts
Daily Interest Savings
U.S. Dollar Daily Interest Savings
Time Deposits
Guaranteed Investment Certificates
Guaranty Option Certificates
Guaranty Service
GT60 Service
First and Second Residential Mortgages
Consumer Loans, including Investment Loans
VISA

Registered Home Ownership Savings Plan
Registered Retirement Savings Plans
Registered Retirement Income Funds
Investment Funds
Investment Management and Custody
Estate and Trust Administration
Estate Planning
Personal Financial Planning
Oil and Gas Royalty Trusts

Corporate

Builder Loans and Take-out Mortgages
Corporate Loans
Equipment Financing and Leasing
Manufacturer Floor Plans
Commercial Mortgages
Distributor Capital Loans
Dealer Services

Corporate Trust Services
Stock Transfer Agent and Registrar
Trustee of Pension and other Employee Benefits
Custodial—Master Trust Services

Real Estate

Real Estate Sales
Home Relocation Services

Guaranty Properties Limited

Land Development
Investment Properties
Property Management
Real Estate Sales

Traders Group Limited

Finance Group

Personal Loans
Sales Financing Plans
Mortgages

Aetna Financial Services

Factoring
Accounts Receivable Financing

Canadian General Insurance Group

General Casualty Insurance for Automobiles and Properties
Individual and Group Life Insurance
Sickness and Accident Insurance

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