C

1982 ANNUAL REPORT

AVCO FINANCIAL SERVICES CANADA LIMITED

CONSOLIDATED HIGHLIGHTS

Thousands of dollars, November 30,	**1982**	1981	1980	1979	1978
NET EARNINGS					
Earnings from operations, after taxes	**$ 9,468**	$ 7,499	$ 8,085	$ 9,634	$ 11,864
Gain (loss) on foreign exchange, after taxes	**(2,183)**	(455)	631	(2,114)	(2,528)
Net earnings	**$ 7,285**	$ 7,044	$ 8,716	$ 7,520	$ 9,336
RECEIVABLES OUTSTANDING					
Consumer loans	**$539,876**	$532,548	$515,693	$518,286	$524,162
Sales finance	**15,699**	46,873	61,816	62,194	49,183
Commercial and wholesale	**37,962**	21,413	9,363		
Total	**$593,537**	$600,834	$586,872	$580,480	$573,345
VOLUME OF BUSINESS					
Consumer loans	**$212,273**	$236,967	$214,521	$246,261	$290,770
Sales finance	**10,481**	73,928	110,092	114,751	96,867
Commercial and wholesale	**25,982**	20,562	11,138		
Total	**$248,736**	$331,457	$335,751	$361,012	$387,637
NUMBER OF BRANCH OFFICES	**241**	267	323	374	411
OTHER SIGNIFICANT DATA					
Shareholders' equity	**$154,971**	$148,943	$143,162	$135,736	$129,512
Total lines of credit	**$140,000**	$168,535	$134,031	$129,512	$160,650
Commercial paper coverage	**227%**	108%	105%	123%	120%
Average cost of borrowed funds	**11.93%**	12.33%	10.71%	10.16%	9.28%
Allowance for losses as a percentage of net receivables outstanding	**4.84%**	4.96%	4.78%	4.50%	4.50%
Net credit losses as a percentage of average net receivables outstanding	**2.26%**	2.61%	2.74%	2.43%	1.95%
Other operating expenses as a percentage of revenues	**33.77%**	35.49%	36.83%	37.46%	36.49%

AUDITORS' REPORT

The Shareholders,
Avco Financial Services Canada Limited

We have examined the consolidated statement of financial position of Avco Financial Services Canada Limited as at November 30, 1982 and the consolidated statements of earnings, shareholders' equity 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 Company as at November 30, 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.

London, Canada
January 24, 1983

Arthur Young, Clarkson, Gordon & Co.
Chartered Accountants

CONSOLIDATED FINANCIAL POSITION

Thousands of dollars, November 30,	1982	1981
ASSETS		
Cash	$ 5,522	$ 996
Receivables (less unearned charges: $6,373 in 1982 and $6,753 in 1981 (note 5)	593,537	600,834
Allowance for losses	(28,735)	(29,809)
	564,802	571,025
Investments (note 8)	23,050	23,540
Prepaid expenses and other receivables (note 9)	16,235	8,164
Deferred income taxes	8,335	7,517
Property and equipment, at cost (less accumulated depreciation and amortization: $12,410 in 1982 and $11,914 in 1981)	3,485	3,676
Unrealized loss on foreign exchange (less accumulated amortization: $12,083 in 1982 and $9,095 in 1981)	10,375	7,034
Other assets, net of amortization	2,559	3,553
Intangible assets recognized in acquisitions, without amortization	805	805
TOTAL ASSETS	$635,168	$626,310
LIABILITIES AND SHAREHOLDERS' EQUITY		
Trust deposits	$ 6,787	
Short-term note debt — unsecured		
Commercial paper	58,927	$139,515
Bank	6,300	12,400
Total short-term note debt	65,227	151,915
Accounts payable and accrued liabilities	22,484	15,681
Income taxes payable	2,868	3,272
Deferred insurance commissions	1,411	1,588
Insurance provisions and claims		
Unearned premiums	4,396	6,197
Provision for outstanding claims	3,219	3,279
Long-term note debt — unsecured (note 6)	373,805	295,435
Total liabilities	480,197	477,367
SHAREHOLDERS' EQUITY		
Share capital (note 7)		
Preference	840	1,054
Common	16,788	16,788
Additional paid-in capital	6,197	6,183
Retained earnings (note 4)	131,146	124,918
Total shareholders' equity	154,971	148,943
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$635,168	$626,310

See accompanying notes.

On behalf of the Board

R. D. Brazeau
Director

L. R. Guest
Director

CONSOLIDATED EARNINGS

Thousands of dollars, year ended November 30,	1982	1981
REVENUES		
Interest, finance and service charges	$128,631	$129,291
Insurance premiums	6,445	5,175
Investment income	2,027	2,977
Other revenues	633	1,244
Total revenues	137,736	138,687
EXPENSES		
Interest and debt expense		
Interest on long-term note debt	35,775	29,278
Amortization of long-term note debt financing costs	604	809
Interest on short-term note debt	19,487	25,587
Total interest and debt expense	55,866	55,674
Provision for losses on collection of receivables, less recoveries	12,717	16,845
Insurance losses and adjustment expenses	2,951	1,819
Other operating expenses	46,509	49,214
Loss on foreign exchange	4,518	938
Total expenses	122,561	124,490
Earnings before income taxes	15,175	14,197
Income taxes	7,890	7,153
NET EARNINGS	$ 7,285	$ 7,044

CONSOLIDATED SHAREHOLDERS' EQUITY

Thousands of dollars, year ended November 30,	1982					1981
	Preference shares	Common shares	Additional paid-in capital	Retained earnings	Total	Total
Balance at beginning of year	$ 1,054	$ 16,788	$ 6,183	$124,918	$148,943	$143,162
Net earnings				7,285	7,285	7,044
Preference share purchases and redemptions	(214)		14		(200)	(193)
Cash dividends paid on common shares				(1,002)	(1,002)	(1,002)
Cash dividends paid on preference shares				(55)	(55)	(68)
Balance at end of year	$ 840	$ 16,788	$ 6,197	$131,146	$154,971	$148,943

See accompanying notes.

CHANGES IN CONSOLIDATED FINANCIAL POSITION

Thousands of dollars, year ended November 30,	1982	1981
SOURCES OF FUNDS		
From operations		
Net earnings	$ 7,285	$ 7,044
Provision for losses on receivables	16,956	21,565
Increase (decrease) in accounts payable and accrued liabilities	6,803	(186)
Amortization of unrealized loss on foreign exchange	2,988	668
Depreciation and amortization of property and equipment and other assets	2,888	4,202
Loss on disposal of property and equipment	66	136
Decrease in provision for outstanding claims	(60)	(429)
Increase (decrease) in deferred insurance commissions	(177)	991
Increase (decrease) in income taxes payable	(404)	3,065
Increase in deferred income taxes	(818)	(4,863)
Decrease in unearned insurance premiums	(1,801)	(1,523)
Decrease (increase) in prepaid expenses and other receivables	(8,071)	987
Total from operations	25,655	31,657
Collections on receivables (excluding finance charges included in net earnings)	238,739	319,919
Proceeds from issuance of long-term note debt	116,745	
Increase in trust deposits	6,787	
Decrease in investments	490	137
Total	$388,416	$351,713
USES OF FUNDS		
New funds advanced on receivables	$248,736	$331,457
Decrease (increase) in short-term note debt	86,688	(30,712)
Reduction in long-term note debt	38,375	31,434
Increase (decrease) in unrealized loss on foreign exchange	6,329	(2,326)
Increase in other assets	1,059	1,961
Cash dividends on common shares	1,002	1,002
Bulk purchases of receivables	736	22,207
Increase in property and equipment (net)	710	599
Preference share purchases and redemptions	200	193
Cash dividends on preference shares	55	68
Increase (decrease) in cash	4,526	(4,170)
Total	$388,416	$351,713

See accompanying notes.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF ACCOUNTING POLICIES

The following represents the significant accounting policies not disclosed elsewhere in the consolidated financial statements.

(a) Basis of presentation

The consolidated financial statements include the accounts of the Company and all of its subsidiaries.

The intangibles recognized in the acquisition of subsidiaries (all prior to 1974) are shown separately under the heading "Intangible assets recognized in acquisitions, without amortization".

(b) Receivables

Interest and discount charges are recognized in revenues on the effective yield method. When charges are not included in the original face amount of the loan, the charges are recognized in revenues as collected. Unearned charges represent the portion of the finance charge or discount included in the original face amount of the related receivables which is determined to be unearned on the balance sheet date. The unearned charges are transferred to revenues on the accrual basis beginning in the month following acquisition. No portion of unearned charges is recognized in earnings to offset acquisition costs.

It is generally the Company's policy to write off accounts monthly when they are deemed uncollectible, but in any event all accounts for which no payment has been received for eight consecutive months are written off. The Company charges against current earnings as a provision for losses on receivables such amounts as management believes to be adequate.

(c) Deferred insurance commissions

The entire amount of insurance commissions received from carriers is deferred and credited to earnings over the life of the related insurance contracts on a basis consistent with the premium recognition methods used by the insurance carriers.

(d) Deferred income taxes

Income taxes are provided on the basis of accounting income which differs from taxable income on which income taxes are currently payable as a result of timing differences principally relating to interest income on interest bearing loans due but not yet collected and unrealized foreign exchange gains or losses. The resulting deferred tax debit is shown separately as an asset in the accompanying statement of consolidated financial position.

(e) Foreign exchange

Assets and liabilities denominated in foreign currency have been translated at the closing rates in effect at each year end. Income and expense accounts have been translated at the average rates prevailing during the respective years. The resulting gain or loss from translation has been reflected in earnings except for the amounts relating to long-term note debt in which case it is the Company's practice to defer the translation gain or loss and to provide for the amortization of such deferred amount annually on a straight-line basis over the remaining term of each instalment payment of related long-term note debt outstanding. The resulting unamortized translation loss relating to long-term note debt which has been deferred as a result of this practice is shown as an "unrealized loss on foreign exchange" in the accompanying statement of consolidated financial position.

At November 30, 1982 and 1981 assets of $565,000 and $6,000 respectively, and liabilities of $169,222,000 and $101,189,000 respectively, were represented by amounts to be settled in U.S. funds. The rates used at November 30, 1982 and 1981 were Can. $1 = U.S. $0.8083 and Can. $1 = U.S. $0.8498 respectively. For the years ended November 30, 1982 and 1981, U.S. dollar income and expense accounts have been translated at the average rate of Can. $1 = U.S. $0.8139 and Can. $1 = U.S. $0.8335 respectively.

At November 30, 1982 the Company had forward exchange contracts to purchase a total of U.S. $77,326,000 for Can. $95,000,000. Subsequently, the total purchase commitment was decreased to U.S. $72,776,000 for Canadian $90,000,000. These contracts mature at various dates to March 15, 1983. These forward exchange contracts are regarded as commitments and are not recorded in the accounts of the Company. Gains or losses arising on such contracts from changes in the foreign exchange rate are included in earnings for the year in which the foreign exchange rate changes.

(f) Other assets

Other assets, which consist of debt financing costs and premiums on the bulk purchases of receivables, are amortized on a straight-line basis over the terms of the respective debt issues and receivables maturities to which they relate.

(g) Insurance subsidiary

The accounts of the Company's insurance subsidiary for the year ended November 30 have been prepared for purposes of consolidation with those of the Company in accordance with generally accepted accounting principles but differ in some respects from those reported at its year end (December 31) which are based on accounting practices prescribed or permitted by the Department of Insurance of Canada.

The following are the significant accounting policies followed by the Company's insurance subsidiary for purposes of these consolidated financial statements:

(i) *Unearned premiums*

Unearned premiums represent the portion of premiums written which is determined to be unearned at year-end. These unearned premiums are taken into earnings over the life of the policies in the following manner: (1) for accident and sickness insurance in relationship to anticipated claims and (2) for property and casualty insurance on a straight-line basis.

(ii) *Provisions for outstanding claims*

Provisions are made for losses and adjustment expenses, as claims are reported, based on estimates of the probable ultimate liability, and are adjusted for subsequent developments. Provisions are also made for estimated losses incurred but not reported. The provisions are net of estimated reinsurance recoverable.

NOTE 2: LEASE COMMITMENTS

The Company's executive office is occupied under a long-term lease expiring in 1989 at an annual rental of approximately $400,000. The loan office locations are occupied under leases having terms generally not in excess of five years at annual rentals of approximately $2,591,000. Vehicles are leased over terms not in excess of three years at annual rentals of approximately $1,026,000.

The total net rental obligations at November 30, 1982 under all leases are as follows: 1983 — $3,390,000; 1984 — $2,406,000; 1985 — $1,615,000; 1986 — $1,123,000; 1987 — $713,000; 1988 and thereafter $551,000. Rent expense charged to earnings for the years ended November 30, 1982 and 1981 amounted to $3,895,000 and $3,973,000 respectively.

NOTE 3: SUPPLEMENTAL INFORMATION

The aggregate direct remuneration paid or payable by the Company and its subsidiaries to its directors and senior officers (as defined under the Business Corporations Act — Ontario) for the years ended November 30, 1982 and 1981 amounted to $758,000 and $635,000 respectively.

Amounts paid for administrative services (to the parent company) deducted in arriving at net earnings for the years ended November 30, 1982 and 1981 amounted to $1,244,000 and $1,364,000 respectively. Amounts received for administrative services (from certain affiliates) included in arriving at net earnings for the years ended November 30, 1982 and 1981 amounted to $410,000 and $581,000 respectively.

NOTE 4: OPERATIONS BY INDUSTRY SEGMENT

Thousands of dollars, November 30,	1982	1981
Revenues		
Financial Services	$130,106	$131,055
Insurance	7,740	7,862
Intercompany elimination	(110)	(230)
Total	$137,736	$138,687
Operating profit		
Financial Services	$ 16,720	$ 10,088
Insurance	2,973	5,047
Total	$ 19,693	$ 15,135
Identifiable assets		
Financial Services	$610,660	$601,503
Insurance	27,444	25,399
Intercompany elimination	(2,936)	(592)
Total	$635,168	$626,310

Operating profit by industry segment represents total revenues less operating expenses before losses on foreign exchange in the financial services segment ($4,518,000 in 1982 and $938,000 in 1981) and income taxes. Capital expenditures and depreciation expenses were not material to the operations of the industry segments.

The insurance subsidiary's assets include investments of $18,600,000 and $23,540,000 at November 30, 1982 and 1981, respectively. These investments are subject to government regulation which controls the type of investments permitted, and are not interchangeable with other assets of the Company.

Rules prescribed by the Department of Insurance with respect to capital requirements for the Company's insurance subsidiary and certain provisions of the Canadian and British Insurance Companies Act (Canada) have the effect of restricting the amount of dividends which the subsidiary is permitted to pay in any year. Retained earnings at November 30, 1982 and 1981 includes the unremitted accumulated net earnings of the insurance subsidiary of $8,766,000 and $7,171,000 respectively.

NOTE 5: RECEIVABLES

Thousands of dollars, November 30,	1982	1981
Consumer loans	$539,876	$532,548
Sales finance	15,699	46,873
Commercial and wholesale	37,962	21,413
Total	$593,537	$600,834

The terms of the Company's receivables generally require repayment in equal monthly instalments. The maximum term over which consumer loans (excluding loans secured by real estate) and sales finance accounts are written is 60 months. However, approximately 90 percent of the dollar amount of consumer loans (excluding loans secured by real estate) and sales finance accounts are written with terms of 48 months or less.

Consumer loans secured by real estate are written for amortization periods of up to 25 years, however, substantially all of these loans are callable by the Company after not more than 5 years. Commercial loans are generally secured by real estate and are written with terms not exceeding 3 years. Wholesale loans are written for a term not exceeding 1 year.

NOTE 6: LONG-TERM NOTE DEBT

Thousands of dollars, November 30,	1982	1981
Guaranteed notes payable		
Due in Canadian funds		
9½ % Notes payable		$ 29,500
9½ % Note payable maturing March 1983	$ 5,000	5,000
9½ % Notes payable maturing March 1993 (a) (b)	21,842	22,548
9¾ % Note payable maturing June 1983	5,000	5,000
9¾ % Note payable maturing June 1983	5,000	5,000
9¾ % Note payable maturing September 1983	5,000	5,000
9¾ % Notes payable maturing April 1984 (b)	31,670	32,623
10% Note payable maturing May 1983	5,000	5,000
10⅛ % Notes payable $3,000 annually from May 1984, maturing May 1993	30,000	30,000
10¼ % Notes payable maturing April 1984	6,000	6,000
10¼ % Note payable maturing April 1984	2,000	2,000
10¼ % Note payable maturing May 1986	25,000	25,000
10½ % Note payable maturing April 1984	10,000	10,000
10½ % Note payable maturing February 1985	5,000	5,000
10½ % Note payable maturing February 1985	7,000	7,000
$10\frac{7}{10}$% Note payable maturing January 1985	3,000	3,000
13% Notes payable maturing February 1988	50,000	
Total due in Canadian funds	216,512	197,671
Due in U.S. funds (See note 1 (e))		
7⅜ % Notes payable U.S. $2,940 annually, maturing January 1983 (U.S. $2,940)	$ 3,637	$ 6,919
8⅜ % payable U.S. $3,000 annually, maturing June 1992 (U.S. $32,000)	39,590	41,186
9¼ % Notes payable maturing September 1983 (U.S. $17,200)	21,279	20,240
9¾ % Notes payable U.S. $2,500 annually from June 1983, maturing June 1992 (U.S. $25,000)	30,929	29,419
Floating Rate Notes maturing December 1986 (U.S. $50,000) (c)	61,858	
Total due in U.S. funds (U.S. $127,140 and U.S. $83,080, respectively)	157,293	97,764
Total long-term note debt	$373,805	$295,435

(a) Subject to prepayment at the option of each holder on March 1, 1985.

(b) Subject to purchase fund agreements.

(c) Held by a subsidiary of Avco Financial Services, Inc. and bearing interest at 2% above the latter Company's cost of commercial paper borrowings in the United States. Interest of $8,410,000 has been accrued and is outstanding.

The maturities, sinking fund and maximum purchase fund payments on long-term note debt for the five years subsequent to November 30, 1982 and thereafter are as follows: 1983 — $56,721,000; 1984 — $59,566,000; 1985 — $25,054,000; 1986 — $35,879,000; 1987 — $72,738,000; 1988 and thereafter — $123,847,000.

NOTE 7: SHARE CAPITAL

Share capital consists of: (1) 5½ % cumulative voting Class A preference shares each redeemable at their par value of $100; authorized and issued less redeemed 8,398 shares (10,536 in 1981) for $840,000 ($1,054,000 in 1981) and (2) common shares of no par value in 1982 and 1981; authorized 2,000,000 shares; issued 1,670,382¾ shares for $16,788,000.

During the year the Company purchased for cancellation 2,138 Class A preference shares for $200,000 cash. The difference between the par value of the preference shares purchased of $214,000 and the cash paid in respect thereof has been credited to additional paid-in capital.

Avco Financial Services, Inc., a United States company, owns 74.0% of the Class A preference shares and in excess of 99.9% of the issued common shares. The ultimate parent company is Avco Corporation, a United States company.

NOTE 8: INVESTMENTS AT COST

Thousands of dollars, November 30,	1982	1981
Short-term notes	$ 9,650	$ 2,100
Bonds (market value: $6,418 in 1982 and $8,651 in 1981)	7,055	10,331
Stocks (market value: $4,720 in 1982 and $8,805 in 1981)	5,410	9,398
Mortgages	935	1,711
Total	$23,050	$23,540

It is management's opinion that the decline in the market value of investments below their cost is not of a permanent nature.

NOTE 9: LITIGATION

(a) Included in prepaid expenses and other receivables is $6,326,000 due from other insurance companies at November 30, 1982 representing funds advanced by the Company's insurance subsidiary, London and Midland General Insurance Company, to Park Lane Group Limited and to insureds to cover payment of claims under policies written in the name of London and Midland by Park Lane Group Limited for which reinsurers have refused to make payment under reinsurance agreements. It is estimated that London and Midland could be required to make further payments of up to $2,700,000 on such claims. On April 6, 1982 (August 26, 1982 for Kansa General Insurance Company) London and Midland commenced an action in the Supreme Court of Ontario against its reinsurers, General Reinsurance Corporation, Philadelphia Reinsurance Corporation and Kansa General Insurance Company, and also against R.T.C. Limited, a United Kingdom broker which acted as an intermediary in the reinsurance agreement, to recover amounts so advanced, plus interest and damages. The defendants have entered appearances but have not yet delivered statements of defense.

The Company's management is of the opinion, after consultation with its counsel, that London and Midland's action for the recovery of the amounts so advanced, plus interest, against the reinsurers will be successful or, in the alternative with respect to amounts claimed from Philadelphia Reinsurance Corporation, amounting to 25% of the total claim, that it will be entitled to recover from R.T.C. Limited.

The Company has not recorded in its accounts any accrued interest on the above-noted advances. Such interest will be recorded as a prior period adjustment when received.

If London and Midland's actions were to be unsuccessful, it would be entitled to a recovery of approximately $2,000,000 for premiums paid to the reinsurers. Any remaining loss would be treated as a prior period adjustment.

(b) On October 7, 1982 Fremont Indemnity Company, to whom General Reinsurance Corporation retroceded a portion of the insurance it reinsured for London and Midland as referred to in (a), which portion amounts to 50% of all reinsurance under the reinsurance agreements referred to in (a), commenced an action in Orange County Superior Court, California, against London and Midland, Park Lane Group Limited, R.T.C. Limited and certain related parties for rescission of its retrocession agreement, restitution of net claims paid by it to General Reinsurance Corporation totalling $222,000 plus interest, and damages of $2,000,000. London and Midland is vigorously defending this action and has retained U.S. counsel for this purpose. Should London and Midland be unsuccessful in its defense any loss would be treated as a prior period adjustment.

SUPPLEMENTAL STATISTICAL DATA

Thousands, November 30,*	Consumer Loans 1982	Consumer Loans 1981	Sales Finance 1982	Sales Finance 1981	Commercial and Wholesale 1982	Commercial and Wholesale 1981	Total 1982	Total 1981
VOLUME OF BUSINESS	$212,273	$236,967	$ 10,481	$ 73,928	$ 25,982	$ 20,562	$248,736	$331,457
AVERAGE ACCOUNT SIZE (VOLUME)	$ 3,908	$ 2,277	$ 339	$ 381	$259,820	$527,231	$ 2,914	$ 1,111
RECEIVABLES								
Precompute	$ 4,751	$ 12,098	$ 2,139	$ 14,722	$ 8,252	$ 7,276	$ 15,142	$ 34,096
Interest bearing	540,955	525,094	13,727	33,714	30,086	14,683	584,768	573,491
	545,706	537,192	15,866	48,436	38,338	21,959	599,910	607,587
Unearned charges	(5,830)	(4,644)	(167)	(1,563)	(376)	(546)	(6,373)	(6,753)
Net receivables	$539,876	$532,548	$ 15,699	$ 46,873	$ 37,962	$ 21,413	593,537	600,834
Allowance for losses							(28,735)	(29,809)
							$564,802	$571,025
Allowance for losses as a percentage of receivables							4.84%	4.96%
NUMBER OF ACCOUNTS OUTSTANDING	129,736	172,495	35,385	91,013	246	173	165,367	263,681
AVERAGE BALANCE PER ACCOUNT	$ 4,161	$ 3,087	$ 444	$ 515	$154,317	$123,775	$ 3,589	$ 2,279
RATIOS								
Average net receivables	$547,941	$525,903	$ 29,916	$ 58,250	$ 28,344	$ 15,684	$606,201	$599,837
Charge-offs	$ 15,966	$ 17,428	$ 1,903	$ 2,355	$ 161	$ —	$ 18,030	$ 19,783
Recoveries	(3,870)	(3,666)	(468)	(490)	—	—	$ (4,338)	(4,156)
Net credit losses	$ 12,096	$ 13,762	$ 1,435	$ 1,865	$ 161	$ —	$ 13,692	$ 15,627
Net credit losses to average net receivables	2.21%	2.62%	4.80%	3.20%	0.57%	—%	2.26%	2.61%
Recoveries to charge-offs	24.24%	21.04%	24.59%	20.81%	—%	—%	24.06%	21.01%

*Except for average account size and average balance per account.

BANKS EXTENDING LINES OF CREDIT

Bank of Montreal — London, Ontario
The Bank of Nova Scotia — London, Ontario
Canadian Imperial Bank of Commerce — London, Ontario
The Mercantile Bank of Canada — London, Ontario
National Bank of Canada — London, Ontario
The Royal Bank of Canada — Toronto, Ontario
Toronto Dominion Bank — London, Ontario

ABN Bank Canada — Toronto, Ontario
Banque Nationale de Paris (Canada) — Toronto, Ontario
BT Bank of Canada — Toronto, Ontario
The Chase Manhattan Bank of Canada — Toronto, Ontario
Citibank Canada — Toronto, Ontario
Continental Illinois Bank (Canada) — Toronto, Ontario
Manufacturers Hanover Bank of Canada — Toronto, Ontario
Swiss Bank Corporation (Canada) — Toronto, Ontario

DELINQUENCY ANALYSIS

The following analysis represents (1) loans on which no payments of either principal or interest had been received within 60 days prior to November 30, 1982 and November 30, 1981 respectively (2) loans on which only interest, deferment, extension and/or default charges were received in the last 60 days of each year (3) loans on which the total amount received in the last 60 days of each year was less than 50 percent of the original contractual monthly payment, (4) sales finance accounts on which one or more instalments were more than 60 days past due and (5) commercial and wholesale accounts on which one or more instalments were more than 60 days past due at those dates.

Thousands of dollars, November 30,	Amount 1982	Amount 1981	Ratio to Gross Receivables Outstanding 1982	Ratio to Gross Receivables Outstanding 1981
Consumer Loans				
Past due				
60-89 days	$ 5,179	$ 6,597	.95%	1.23%
90-179 days	7,141	8,436	1.31	1.57
180-269* days	5,983	4,486	1.09	.83
Total	18,303	19,519	3.35	3.63
Interest only	4,417	6,024	.81	1.12
Partial payment	1,528	1,072	.28	.20
Total	$ 24,248	$ 26,615	4.44%	4.95%
Sales Finance				
60 day accounts*	$ 1,370	$ 2,374	8.63%	4.90%
Commercial and Wholesale				
60 day accounts*	$ 2,383	$ —	6.22%	— %

* All accounts 270 days or more delinquent are charged off.

SENIOR OFFICERS AND DIRECTORS

AVCO FINANCIAL SERVICES CANADA LIMITED

H. W. Merryman: Chairman of the Board and Director (Chairman of the Board of Avco Financial Services, Inc.)

*† R. D. Brazeau: President and Director

† G. B. Carmichael: Director (Partner, Ivey & Dowler, Barristers and Solicitors)

T. M. Cumming: Director (President of Avco Financial Services, Inc.)

* L. R. Guest: Vice President, Secretary and Director

W. D. Hansen: Director (Executive Vice President of Avco Financial Services, Inc.)

† F. W. P. Jones: Director (Financial Consultant)

R. J. O'Brien: Director (President and General Manager of London and Midland General Insurance Company)

* D. J. Sadler: Assistant Vice President and Director

* A. L. Servant: Vice President and Director

* W. W. Weis: Vice President and Director

J. G. Comrie: Vice President and Treasurer

D. A. Morrison: Vice President

W. B. O'Dell: Vice President

A. J. Smith-Windsor: Vice President

H. A. Vanden Heuvel: Vice President and Controller

R. A. Vermette: Vice President

* Member of the Executive Committee

† Member of the Audit Committee

COMMERCIAL PAPER

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