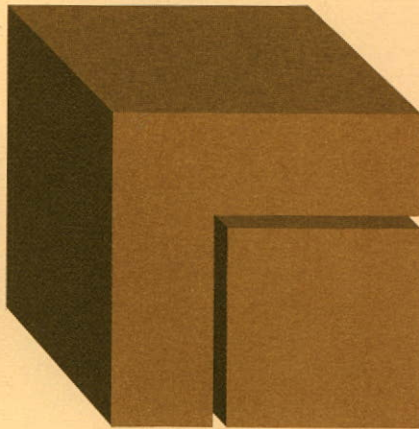

Canada Permanent Mortgage Corporation

128th Annual Report 1982





the Permanent

Canada Permanent Trust Company
Canada Permanent Mortgage Corporation

Executive Offices: 320 Bay Street, Toronto, Ontario M5H 2P6 Telephone (416) 361-8000

Highlights	1982	1981	Percent Increase (Decrease)
	(in thousands of dollars)		
Assets			
Corporate assets	\$ 6,398,915	\$ 5,684,787	12.6
Assets under administration			
—Canada	4,614,892	3,974,611	16.1
—U.S. mortgage servicing	4,400,000		
Total	\$15,413,807	\$ 9,659,398	59.6
Customers' deposits	\$ 5,656,890	\$ 5,355,233	5.6
Shareholders' equity	\$ 270,670	\$ 217,144	24.7
Operations			
Net operating income	\$ 7,411	\$ 6,243	18.7
Net gain on disposal of securities and investment properties	5,358	13,745	(61.0)
Net earnings	\$ 12,769	\$ 19,988	(36.1)

Employees and Locations (at December 1982)

Employees, full and part-time	4,084
Real estate commissioned sales agents	2,049
Financial Services	
—Savings branches	97
—Commercial lending and leasing offices	4
—Foreign offices	5
Trust Services Branches	18
Real Estate Brokerage	
—Branch offices	91
—Franchised offices	29
Commercial Real Estate Development Offices	4

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Management's Statement on Responsibility and Accountability

Management of The Permanent is responsible for the preparation of the financial information in this report. That responsibility includes selecting appropriate accounting principles and making judgements in accordance with generally accepted accounting principles. The financial statements, accompanying notes and supplementary information included in this report are considered by Management to present fairly the results of operations and the financial position of the Company.

Management is responsible for ensuring that appropriate controls exist in all of the Company's systems and that proper records are maintained to ensure that all transactions are appropriately authorized and that all assets are safeguarded and properly recorded. In addition, the Company's internal auditors report regularly to Management.

In carrying out its responsibilities, the Board of Directors has established an Audit Committee of "outside directors". Reporting to the Board, this Committee examines the financial affairs of the Company with the internal and external auditors.

The Audit Committee reviews the financial statements before submission to the Board of Directors, discusses all matters brought to its attention by the external auditors, examines the scope and findings of the independent audit, and evaluates the steps taken by Management to correct weaknesses in internal control. Also, for all transactions between The Permanent and its parent and affiliated companies identified as material by Management, the Committee obtains assurances from the external auditors that authorization for the transactions was proper and that The Permanent took appropriate steps to evaluate the transactions.

The procedures of the Audit Committee ensure that the management of the Company's financial affairs complies with applicable legislation, and is in the best interests of the Company, the depositors, and the beneficial owners of funds entrusted to the Company.

Appointed by the shareholders, Coopers & Lybrand, chartered accountants, examine the financial statements of the Company and report thereon to the shareholders. Their examination is made in accordance with generally accepted auditing standards and is not restricted in any way by the Company. The auditors meet periodically with the Audit Committee of the Board of Directors.

The federal Department of Insurance conducts an annual examination of the Company's affairs to ensure that the Company complies with the legislation and regulations under which the Company conducts its business. These examinations ensure that the interests of depositors and the public are safeguarded and that the financial position of the Company is sound.

J. A. C. Hilliker, Chairman, President and Chief Executive Officer



J. A. C. Hilliker, Chairman, President and Chief Executive Officer

Report on Operations

During 1982 the Canadian economy provided a challenging and difficult environment. Interest rates remained at high levels throughout much of the year, inflation reached a rate of almost 12 per cent, unemployment rose to just under 13 per cent, and industrial output declined.

In these circumstances, The Permanent took positive steps to counteract any negative impact on its operations and to better position itself for significantly improved results in the future. The Company implemented a new organizational structure more suited to the changing marketplace and to better maximize its own strong internal resources. Steps were taken to further strengthen the management of

assets and liabilities and new products were introduced to increase market share. These are reflected in the view that the Company is now well positioned to achieve satisfactory and significantly improved operating results in the future, functioning as a stable, sound and conservatively managed financial institution.

During the year, Mr. E. J. Brown retired from his position as Chairman of the Board, after completing nearly thirty years' service with The Permanent. He continues to serve the Company on its Board of Directors. Mr. J. D. Armstrong, a Company Director, served as interim Chairman of The Permanent from May to November, until the appointment



of Mr. J. A. C. Hilliker as Chairman and Chief Executive Officer. In February 1983, Mr. J. H. Deason, President and a Company Director, resigned. Following this change, the Company's Board of Directors appointed Mr. Hilliker as Chairman, President and Chief Executive Officer.

Financial Summary

Net operating profit after taxes for 1982 was \$7,411,000, compared with \$6,243,000 in 1981, an increase of 18.7 per cent. The quarterly trend of improvement in operating income during 1982 was encouraging. In the fourth quarter, operating income after taxes amounted to \$5,717,000.

Strengthened controls over expenses were a significant factor contributing to the improvement in operations in 1982. All divisions of The Permanent contributed to this improved control. In spite of continued cost increases to the Company, expenses, excluding commissions to real estate sales staff and loss provisions, were held to \$153,518,000, an increase of 8.8 per cent over 1981.

Net earnings, including gains on securities and investment properties, amounted to \$12,769,000 for the year, compared with \$19,988,000 in 1981. The Company commenced reducing its preferred

and common stock investments during 1980 resulting in significant net gains in 1981, which were not duplicated in 1982.

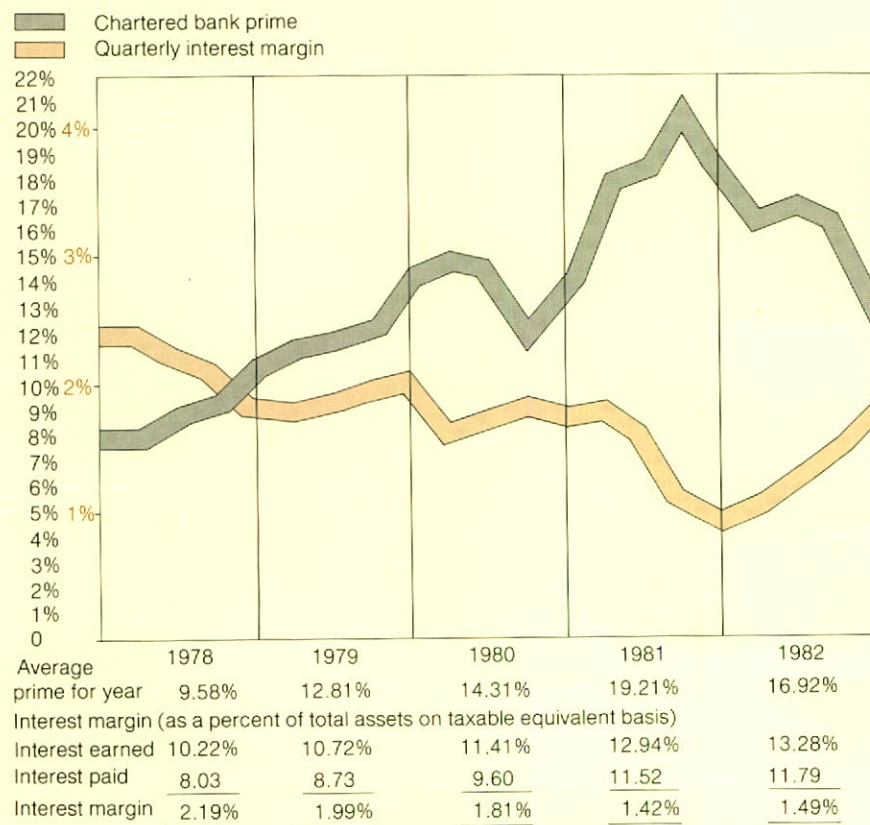
Total assets of The Permanent amounted to \$6.4 billion at the year-end, an increase of 12.6 per cent over the 1981 figure. A portion of this growth resulted from the acquisition of a mortgage servicing business located in the United States. Excluding this acquisition, growth in assets was 6.2 per cent for the year. Also, trust assets under administration amounted to \$4.6 billion in Canada and \$4.4 billion in the United States, at year-end.

During 1982, The Permanent's parent subscribed for and purchased an additional 1,244,299 of the Company's common shares for a total consideration of \$43,550,000. This addition to shareholders' equity improved The Permanent's borrowing ratio. At December 31, 1982 this borrowing ratio was 22.6:1, as compared to the maximum permitted ratio of 25:1, thus providing a comfortable margin for future growth.

Financial Intermediary Services
The Permanent is recognized as one of Canada's leading financial institutions and through a national network of branches its Financial Intermediary Division offers a wide range of deposit-taking and lending services to individuals and corporations.

Interest margin versus chartered bank prime

Comparison of interest margin as a percent of total assets with chartered bank prime



The operating performance of the Financial Intermediary Division was adversely affected by deteriorating interest margins during the first part of 1982, which declined to 1.13 per cent in the first quarter of 1982. This decline was caused primarily by two factors: a floating-rate mismatch and unsatisfactory yields on fixed-rate assets and liabilities. At the end of 1981, floating-rate liabilities exceeded floating-rate assets by \$620 million. As interest rates rose, this excess of liabilities increased the cost of funds, while the yield on the fixed-rate assets in which the funds were invested remained constant. In the fixed-rate portfolios significant swings in interest rates in 1980 and 1981 caused the yield to deteriorate as asset growth was stronger when interest rates were lower, and liability growth was stronger when rates were higher.

To correct the mismatch on floating-rate assets and liabilities, the Company reduced its investments in fixed-rate mortgages and bonds and invested proportionately more of the deposit growth in floating-rate investments and commercial loans. As a result, while floating-rate liabilities increased during 1982 by \$317 million to \$1,962 million, floating-rate assets increased by \$703 million to \$1,728 million. By the end of the year, the mismatch was therefore reduced to \$234 million, which represents only 3.7 per cent of total assets.

During 1982, fixed-rate business was monitored and managed on a basis to ensure that new business was written with satisfactory margins in addition to being matched in terms of maturity. The Company wrote a total of \$1.3 billion in fixed-rate assets and \$1.5 billion in fixed-rate liabilities during 1982, with the excess being applied to correct the floating-rate mismatch.

As the floating-rate mismatch was corrected and the fixed-rate asset and liability management program proceeded, interest margins continued to improve as reflected in a fourth quarter margin of 1.88 per cent.

Of the \$4.3 billion in assets and \$3.9 billion in liabilities maturing in 1983 or later, \$2.8 billion of

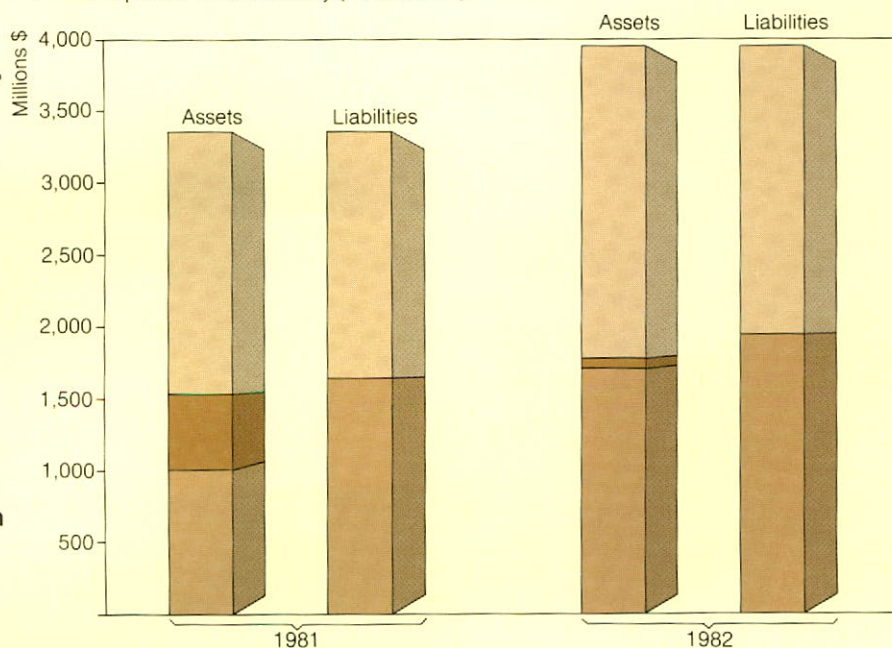
assets and \$2.0 billion of liabilities were written before 1982 and have an overall unsatisfactory interest margin. As these assets and liabilities mature, both the margin on renewals and the matching of maturities will improve.

Commercial lending operations expanded during 1982 and by year-end business loans and leases outstanding totalled \$838 million. This portfolio is well diversified by type, industry and geographical location. Commercial lending offices are located in Toronto, Montreal, Vancouver and the United Kingdom. New commercial leasing offices will be opened in Calgary, Vancouver and Montreal in 1983.

As with other financial institutions, the Company experienced an

Comparison of interest sensitivity

Fixed rate under one year
 Floating rate
 Exposure to rate volatility ("Mismatch")



increase in loan losses during the year. Provisions for losses amounted to \$7,537,000 in 1982, compared with \$1,134,000 in 1981. Actual losses incurred during 1982 on mortgages, personal and commercial loans totalled \$4,123,000, as compared with \$1,311,000 in the prior year. As a result, reserves for future losses were increased by \$3,414,000 in 1982, a prudent step under current economic conditions.

The Permanent's efficient and successful computerized Savings and Loan system, viewed as an industry leader, was further developed and expanded during 1982. Short-term Deposit Receipts were converted to the system and the conversion of Term Deposits is now well underway. These changes will enhance

customer service capabilities, provide improved access to customer data and reduce expenses.

A new Daily Interest Chequing Account, combining chequing privileges with daily interest, was also introduced successfully. This product attracted more than \$57 million in deposits within 90 days of introduction.

Trust Services

The Permanent offers a broad range of fiduciary services, including investment management to individuals and corporations. These services cover three main categories: Personal Trust, Corporate Services and Pension Trust.

In 1982 personal trust services achieved a revenue increase of 10.7 per cent over the previous

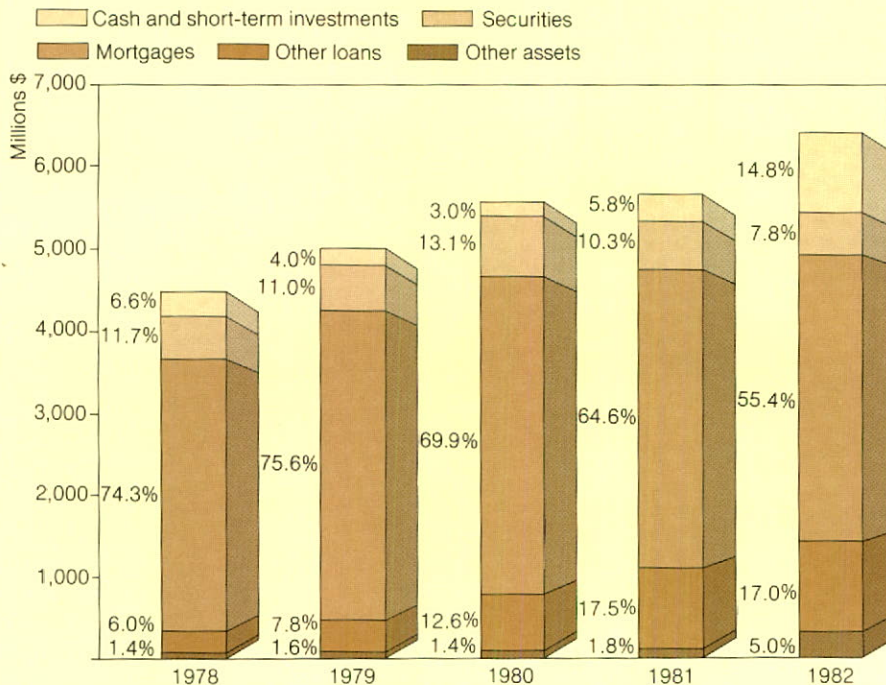
year. A greater increase is expected in 1983. Personal trust accounted for \$2.7 billion of the \$4.6 billion in assets under administration in Canada.

Corporate services provides stock and bond transfer and interest and dividend-paying services to 500 companies, with over 875 separate classes of shares and bonds, and 1.2 million shareholders and bondholders. During 1982, \$606 million in dividends and interest payments were issued on behalf of corporate clients. With the anticipated increase in stock market activity in 1983, revenues should improve from this source.

Pension trust offers INFOVEST, a fully integrated investment accounting and reporting system for corporate custodial and pension services clients. Introduced and actively marketed in 1982, INFOVEST is supported by a custom-designed, on-line, real-time computer system which provides clients with a very useful remote transaction authorization capability. This system represents a major investment from which The Permanent expects to realize an increasingly profitable return.

Pension trust assets under administration rose by 50.4 per cent to \$1.5 billion during 1982 reflecting client approval of the INFOVEST service. Further enhancements to this product will occur in 1983. Industrial surveys have shown that, largely as a result of INFOVEST, The

Summary of assets (excludes estates, trusts and agencies under administration)



Permanent is now perceived as being a leader in offering pension trust management and custodial services in Canada.

Real Estate Brokerage Services

The Permanent is Canada's third largest residential real estate brokerage company and offers real estate brokerage services at 120 offices throughout the country, including 29 franchisee-owned locations. This division also offers employee relocation services for corporations and currently represents 68 corporate clients.

An underperforming Canadian economy was reflected in a depressed real estate brokerage business throughout the country in 1982, resulting in a revenue decline in the Company's brokerage division of 16.9 per cent during the year and an operating loss of \$6,744,000.

New directions have been introduced to position this division for an early return to profitability. After reviewing the long-term profit potential of all real estate offices, seventeen branches and two administrative offices were closed. Other expense control measures were also taken within the division. The costs of these actions were incurred and written off, in their entirety, in 1982 and the future results of this division will benefit accordingly.

The Real Estate Division also introduced new programs during the year designed to strengthen

its profile in the marketplace and improve service to the public and future performance. The Preferred Customer Card program, made available to customers who list their home with The Permanent, offers discounts and cost-savings on a wide range of goods and services useful during a homeowner's move. The Home Protection Plan, another new service, offers a reward for information leading to the arrest and conviction of anyone breaking into a home displaying a Permanent Home Protection decal.

Commercial Real Estate Development

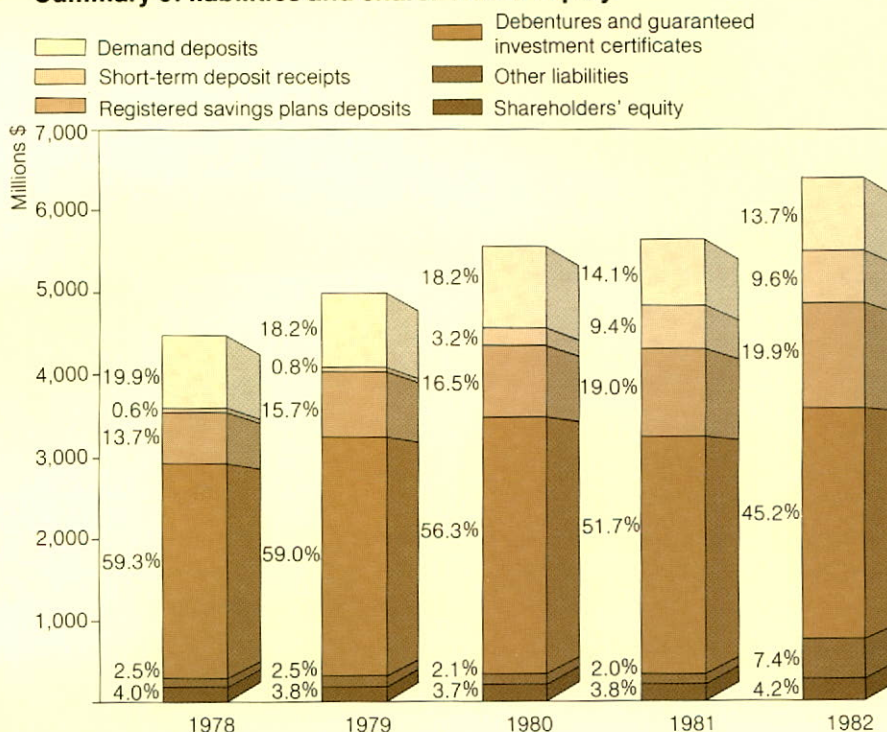
The Permanent's commercial real estate development is carried on under the name, Sutter Hill Developments, and includes investments in retail, office and

industrial properties. Offices are established in Toronto, Calgary, Edmonton and Vancouver. Earnings for Sutter Hill rose to \$4,320,000 in 1982, compared with \$1,311,000 for the prior year.

Total assets of this subsidiary amounted to \$132 million at year-end, as compared with \$34 million a year earlier.

This Company will continue to function as a vehicle for the development, acquisition and management of a growing portfolio of income-producing real estate assets, as well as to develop properties for sale on a selective basis. The long-term goal is to build a consistent and growing rental income stream through lease renewals, new tenants and participation in

Summary of liabilities and shareholders' equity



increased sale revenues of retail tenants.

Several income properties were acquired in 1982, including Lime Ridge Mall in Hamilton, Ontario. In addition, the Company commenced construction of a shopping centre in Edmonton and purchased \$16 million in properties for future development. Among these are sites for a major office project on the subway system in Toronto, shopping centre and office sites in Edmonton, mixed-use development lands in Calgary, and an industrial site in Oakville, Ontario.

United States Mortgage Servicing

On December 30, 1982 The Permanent acquired, from an affiliated company, sole ownership of a United States domiciled mortgage servicing corporation, for \$61.9 million. Results of this company's operations will be included for the first time in The Permanent's 1983 earnings.

The acquired company is a major packager and provides the servicing for mortgages held by major financial institutions. The company also participates in government home mortgage programs such as "Fannie Mae" (FNMA) and "Ginnie Mae" (GNMA). Income is derived primarily from management and servicing fees. At the time of acquisition by The Permanent the company administered a mortgage portfolio of \$4.4 billion

and through direct lending activities managed assets of \$360 million.

Human Resources

The Permanent encourages the professional development of its employees and supports staff participation in both internal and outside technical training programs. In 1982 more than 700 employees were enrolled in training programs.

The Company has introduced an internally developed and administered ongoing sales training program for all staff in financial intermediary services branches with a view to ensuring a continuing improvement in the quality of our service to the public. To date, more than 1,000 employees have completed phase one of this newly developed training program.

Summary and Outlook

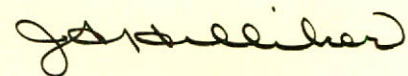
It has been recognized that to achieve the needed improvement in corporate earnings, immediate progress must be made in correcting the Company's interest rate sensitivity, prior to moving towards accelerated asset and liability growth.

The Permanent recorded substantial achievements during 1982. Most importantly, major progress was made in correcting the floating rate mismatch and in implementing programs to better manage fixed rate assets and liabilities. As a result, interest margins are improving and will, in the future, represent a major turnaround for the Company.

Improved asset and liability management is only one of several factors in The Permanent's enhanced prospects for the future. A reorganized corporate structure focusing on branch operations and customer service is now in place. This new structure will capitalize on the proven strength of the Company's employees and continue to emphasize conservative management policies.

The Permanent is well positioned for growth and improved profitability in 1983. To achieve these aggressive targets for profits and growth, The Permanent will depend heavily on the motivation and loyalty of its employees. The Board of Directors and Executive Management of the Company join in expressing their gratitude to all personnel for their past dedication and support.

As one of Canada's well established and largest financial institutions offering a wide range of intermediary, trust and real estate brokerage services, The Permanent looks with confidence and renewed strength to the challenges and opportunities of the future.



J. A. C. Hilliker
Chairman, President and
Chief Executive Officer

Consolidated Statement of Earnings

Year Ended December 31, 1982

(in thousands of dollars with comparative figures for 1981)

	1982	1981
Income:		
Investment income from—		
Short-term investments	\$ 91,204	\$ 53,575
Bonds and debentures	43,968	49,688
Stocks	15,045	18,331
Mortgages	457,275	448,861
Personal loans	38,505	34,316
Commercial loans	122,873	117,146
	768,870	721,917
Fees and commissions from—		
Real estate sales	56,225	67,592
Estates and personal trusts	14,763	14,129
Stock transfer and bond trustee services	9,218	8,782
Pension trust and investment management	6,874	5,787
Custodian services	1,856	1,710
Mortgage administration	4,304	3,322
	93,240	101,322
Other income	23,551	11,537
	885,661	834,776
Expense:		
Interest—		
Demand deposits	78,940	98,427
Short-term deposit receipts	76,260	76,318
Registered savings plans deposits	163,905	135,360
Debentures and guaranteed investment certificates	373,362	345,829
	692,467	655,934
Staff remuneration and benefits	74,454	70,987
Commissions to real estate salesmen	32,328	42,005
Premises	20,519	17,301
Marketing	11,134	11,341
Computer and office	14,180	12,880
Communications and stationery	9,799	8,971
Business taxes, capital taxes and licences	4,567	4,500
Other expense	18,865	15,165
	878,313	839,084
Provision for loan losses	7,537	1,134
	885,850	840,218
Operating loss before income taxes	(189)	(5,442)
Deferred income tax recovery (note 12)	7,600	11,685
Net operating income	7,411	6,243
Net gain on disposal of securities and investment properties less non-recurring corporate expenses in 1981 (note 13)	5,358	13,745
Net earnings	\$ 12,769	\$ 19,988
Basic earnings per common share (note 15):		
Net operating income	\$0.65	\$0.46
Net gain on disposal of securities and investment properties less non-recurring corporate expenses in 1981	0.65	1.79
Net earnings	\$1.30	\$2.25

(See accompanying notes)



Canada
Permanent
Mortgage
Corporation

Consolidated Balance Sheet

December 31, 1982

(in thousands of dollars with comparative figures at December 31, 1981)

Assets	1982	1981
Cash and short-term investments	\$ 948,195	\$ 331,350
Securities (note 4):		
Bonds and debentures	331,262	395,751
Stocks—		
Preferred	136,079	158,746
Common	27,222	32,751
	163,301	191,497
	494,563	587,248
Loans:		
Mortgages	3,545,250	3,673,403
Personal	251,564	262,730
Commercial	837,590	731,873
	4,634,404	4,668,006
Investment properties (note 5)	117,933	32,934
Premises and equipment (note 6)	41,856	40,574
Acquisition cost of loan servicing contracts	59,982	
Other assets (note 11)	101,982	24,675
	\$6,398,915	\$5,684,787

(See accompanying notes)

On behalf of the Board:

J. A. C. Hilliker, Director

J. F. Perrett, Director



Canada
Permanent
Mortgage
Corporation

Liabilities and Shareholders' Equity	1982	1981
Demand deposits	\$ 873,693	\$ 803,103
Short-term deposit receipts	612,803	534,394
Registered savings plans deposits	1,274,575	1,079,796
Debentures and guaranteed investment certificates	2,895,819	2,937,940
	5,656,890	5,355,233
Other liabilities:		
Accounts payable and other liabilities	83,581	47,680
Notes payable (note 7)	209,162	26,131
Due to affiliates (note 8)	146,078	
Dividends payable	509	523
	439,330	74,334
Deferred income taxes	32,025	38,076
Shareholders' equity:		
Capital stock (note 10)	45,178	43,752
Contributed surplus	97,397	56,002
Retained earnings	128,095	117,390
	270,670	217,144
	\$6,398,915	\$5,684,787

(See accompanying notes)

Auditors' Report

To the Shareholders

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

Toronto, Canada,
January 31, 1983.

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.

Coopers & Lybrand
Chartered Accountants

Consolidated Statements of Contributed Surplus and Retained Earnings

Year Ended December 31, 1982

(in thousands of dollars with comparative figures for 1981)

Contributed Surplus	1982	1981
Contributed surplus, beginning of year	\$ 56,002	\$ 36,743
Amounts arising on issuance of common shares (note 10)	41,062	
Amounts arising on conversion and purchase for cancellation of preference shares (note 10)	333	19,259
Contributed surplus, end of year	\$ 97,397	\$ 56,002

Retained Earnings

Retained earnings, beginning of year as restated (note 1(i))	\$117,390	\$106,563
Net earnings for the year	12,769	19,988
	130,159	126,551
Deduct:		
Dividends—series A preference shares	582	1,157
—series B preference shares	1,482	1,524
—common shares		6,480
	2,064	9,161
Retained earnings, end of year	\$128,095	\$117,390

(See accompanying notes)



Canada
Permanent
Mortgage
Corporation

Consolidated Statement of Changes in Financial Position

Year Ended December 31, 1982

(in thousands of dollars with comparative figures for 1981)

	1982	1981
Funds were provided by:		
Net earnings before deferred income taxes, depreciation and other non-cash items of \$12,089 (\$1,110 in 1981)	\$ 24,858	\$ 21,098
Demand deposits less withdrawals	70,590	
Short-term deposit receipts issued less redemptions	78,409	357,991
Registered savings plans deposits less withdrawals	194,779	163,563
Debentures and guaranteed investment certificates issued	1,092,800	882,500
Securities sold or redeemed	177,946	201,506
Mortgage repayments	577,589	432,432
Net repayment of personal loans	11,166	
Issuance of common shares	43,550	
Issuance of notes payable less repayments	40,164	
Total funds provided	2,311,851	2,059,090
Funds were applied to:		
Acquisition of Genstar Securities Corporation and its subsidiaries	61,835	
Less: Cash and short-term investments acquired	5,325	
	56,510	
Investment in securities	82,167	57,517
Mortgage advances	233,667	217,403
Personal loans less repayments		55,045
Commercial loans less repayments	105,717	239,346
Purchase of investment properties net of disposals	84,404	13,713
Investment in premises and equipment net of disposals	7,457	6,928
Net withdrawals of demand deposits		210,442
Debentures and guaranteed investment certificates redeemed	1,134,921	1,078,249
Dividends	2,078	11,566
Other	(11,915)	3,088
Total funds applied	1,695,006	1,893,297
Increase in cash and short-term investments during the year	616,845	165,793
Cash and short-term investments, beginning of year	331,350	165,557
Cash and short-term investments, end of year	\$ 948,195	\$ 331,350

(See accompanying notes)

Notes to Consolidated Financial Statements

December 31, 1982

1. Summary of significant accounting policies

The following is a summary of significant accounting policies followed in the preparation of these consolidated financial statements:

(a) Consolidation—

These consolidated financial statements include the accounts of Canada Permanent Mortgage Corporation and all its subsidiary companies. Significant subsidiaries, all of which were wholly-owned at December 31, 1982 unless otherwise noted, are:

Canada Permanent Trust Company

Canada Permanent Trust Company (U.K.) Limited

Sutter Hill Developments Limited (formerly Can Perm Realty Limited)

Genstar Securities Corporation and its significant subsidiaries (note 2):

Genstar Mortgage Corporation

American Funding Limited (a limited partnership) (87.5%)

The minority interest in American Funding Limited of \$1.5 million at December 31, 1982 is included in accounts payable and other liabilities in the consolidated balance sheet.

(b) Securities and loans—

Bonds and debentures are carried at amortized cost and stocks generally at cost, together with accrued interest and dividends receivable. Mortgages, personal loans and commercial loans are carried at cost plus accrued interest, less repayments and provisions for losses.

Provisions are made annually for possible losses on uninsured mortgages and other loans based upon payment arrears information, prior loss experience and current economic conditions. Losses are charged against the provisions as realized. Securities gains and losses are included in net earnings as realized; however, provisions for losses are made in advance of realization in instances where declines in values of particular securities are considered to be other than temporary.

Included with commercial loans in the consolidated balance sheet are receivables under equipment rental contracts (direct financing leases) with a carrying value at December 31, 1982, net of unearned income, of \$40.2 million (1981—\$40.9 million). Income on the leases is recognized over the terms thereof in decreasing amounts as the amounts receivable are reduced through rental payments.

(c) Investment properties—

Investment properties are stated at cost less accumulated depreciation. These properties are depreciated on a 5%, 40-year sinking fund method.

(d) Premises and equipment—

Premises and equipment are stated at cost less accumulated depreciation and amortization. Rates of depreciation and amortization applied on a straight-line basis to amortize the cost of these assets over their estimated economic lives are as follows:

Buildings	—	2½%
Major building alterations	—	10%
Equipment	—	15%-20%
Leasehold improvements	—	over the terms of the leases

Gains and losses on disposals of premises and equipment are included in net earnings as realized.

(e) Acquisition cost of loan servicing contracts—

Loan servicing contract acquisition costs are amortized over the estimated remaining life of the serviced portfolio.

(f) Deferred income taxes—

The Corporation follows the tax allocation basis of accounting. Accordingly deferred income taxes are provided in order to reflect the income tax effects of timing differences between accounting income and income for tax purposes (such differences being principally attributable to depreciation provisions and security and mortgage loss allowances).

(g) Foreign currency translation—

Assets and liabilities are translated from foreign currencies into Canadian dollars at year-end rates. Income and expenses are translated at average rates of exchange for the year.

Exchange gains and losses arising on translation are included in determining net earnings except for unrealized gains or losses on long-term loans made by Canada Permanent Trust Company (U.K.) Limited which are deferred and amortized over the average remaining term of such loans. Unamortized gains or losses on such loans are included with the loans in the balance sheet.

(h) Income and expenses—

Estate and personal trust fees and commissions from real estate sales are included in income as received. All other income and expense items are recorded on an accrual basis.

(i) Change in accounting policy—

In 1982 the Corporation changed its accounting policy for depreciation of investment properties from the straight-line method to the sinking fund method. As a result of this accounting policy change, 1982 net earnings increased by \$0.3 million. This change has been retroactively applied and increased previously reported 1981 net earnings by \$0.2 million and retained earnings as follows:

	1982	1981
	(in thousands of dollars)	
Retained earnings, beginning of year as previously reported	\$116,827	\$106,221
Adjustment for the cumulative effect on prior years	563	342
Retained earnings, beginning of year as restated	\$117,390	\$106,563

2. Acquisition of Genstar Securities Corporation

Effective December 30, 1982, the Corporation acquired from an affiliated company all the issued and outstanding shares of Genstar Securities Corporation (GSC) in exchange for \$43.3 million in cash and the issuance of 530,014 common shares for \$18.6 million.

This transaction involved companies under common control and has therefore been accounted for in a manner similar to a pooling of interests. Accordingly, the underlying assets and liabilities of GSC and its subsidiaries have been recorded at their book values of \$359.7 million and \$297.9 million respectively. GSC carries on a mortgage packaging, selling and servicing business based predominantly in the United States. At December 31, 1982, GSC serviced a mortgage portfolio of U.S. \$3.5 billion for investors.

3. Segmented information

The Corporation is engaged in several lines of business activity, the more significant of which are as follows:

Intermediary—

Investing shareholder funds and funds provided from deposits and the issue of debentures and guaranteed investment certificates in securities, mortgages and personal and commercial loans.

Trust—

Providing estate, personal, corporate and pension trust services as well as investment management and related services.

Real estate brokerage—

Acting as agent in the purchase and sale of residential, industrial and commercial real estate.

Commercial real estate development—

Engaging in commercial and industrial real estate development.

U.S. mortgage servicing—

Packaging, selling and servicing of mortgage portfolios based predominantly in the United States.

The following table summarizes certain financial information for these business segments:

	1982		1981	
Statement of earnings	Income	Earnings	Income	Earnings
	(in thousands of dollars)			
Intermediary	\$775,630	\$ 3,760	\$727,553	\$ 3,737
Trust	37,871	4,808	34,606	4,755
Real estate brokerage	56,665	(6,744)	68,151	288
Commercial real estate development	15,495	4,320	4,466	1,311
	\$885,661	6,144	\$834,776	10,091
Deferred income tax recovery		6,625		9,897
Net earnings		\$12,769		\$19,988

Intermediary earnings include net gains on disposal of assets of \$5.7 million in 1982 and \$18.0 million in 1981. Commercial real estate development earnings for 1982 include net gains on disposal of assets of \$0.6 million.

	1982		1981	
Assets	Capital expenditures in year	Carrying value of assets at year-end	Capital expenditures in year	Carrying value of assets at year-end
	(in thousands of dollars)			
Intermediary	\$ 5,415	\$5,899,111	\$ 8,076	\$5,643,074
Trust	507	5,372	440	5,284
Real estate brokerage	1,696	2,746	457	2,182
Commercial real estate development	92,414	131,986	13,196	34,247
U.S. mortgage servicing		359,700		
	\$ 100,032	\$6,398,915	\$ 22,169	\$5,684,787
Depreciation and amortization in year				
Intermediary		\$ 6,041		\$ 5,805
Trust		665		505
Real estate brokerage		1,138		873
Commercial real estate development		610		363
		\$ 8,454		\$ 7,546

4. Securities

Securities consist of:

	1982		1981	
	Carrying value	Market value	Carrying value	Market value
	(in thousands of dollars)			
Bonds and debentures—				
Bonds of or guaranteed by—				
Government of Canada	\$ 141,990	\$ 140,819	\$ 246,466	\$ 231,481
Provinces of Canada	19,191	16,509	25,897	19,255
Corporate and other	170,081	169,350	123,388	110,530
	331,262	326,678	395,751	361,266
Stocks—				
Preferred	136,079	119,805	158,746	115,793
Common	27,222	30,626	32,751	44,605
	163,301	150,431	191,497	160,398
Total securities	\$ 494,563	\$ 477,109	\$ 587,248	\$ 521,664

5. Investment properties

Investment properties consist of:

	1982	1981
	(in thousands of dollars)	
Income producing properties and construction in progress	\$103,106	\$ 35,231
Lands held for development	16,528	
	119,634	35,231
Less accumulated depreciation	1,701	2,297
	\$117,933	\$ 32,934

Depreciation included in premises expense totalled \$0.6 million in 1982 (1981—\$0.4 million as restated).

6. Premises and equipment

Premises and equipment consist of:

	1982	1981
	(in thousands of dollars)	
Land	\$ 4,780	\$ 4,826
Buildings, equipment and leasehold improvements	85,261	73,556
	90,041	78,382
Less accumulated depreciation and amortization	48,185	37,808
	\$ 41,856	\$ 40,574

Depreciation and amortization included in premises and computer and office expenses totalled \$7.9 million in 1982 (1981—\$7.1 million).

7. Notes payable

	1982	1981
	(in thousands of dollars)	
Canada Permanent Mortgage Corporation		
11% notes repayable quarterly in equal blended instalments of principal and interest to 1990. Assets carried in the balance sheet at December 31, 1982 at \$22.6 million (1981—\$24.6 million) have been pledged as security against the notes	\$ 14,685	\$ 15,785
U.S. prime plus ¼ of 1% (or similar rates) repayable in U.S. dollars in instalments of \$5,411, \$5,411 and \$32,463 in 1986, 1987 and 1988 respectively. The Corporation has pledged that it will not dispose of the shares of Genstar Securities Corporation while the note remains outstanding	43,285	
U.S. prime (or similar rates) repayable in U.S. dollars in 1985 (1981 balance repaid during 1982)	8,325	10,346
Genstar Securities Corporation and its subsidiaries		
10% average effective rate U.S. commercial paper supported by a bank letter of credit and maturing within 45 days	54,678	
U.S. prime plus 1% (or similar rates) repayable in U.S. dollars on demand and secured by related mortgages	56,288	
Other notes with variable rates based on U.S. prime and repayable in U.S. dollars on demand or during 1983 to 1987 inclusive	31,901	
	\$209,162	\$ 26,131

8. Due to affiliates

	1982
	(in thousands of dollars)
Advances from affiliates	\$ 77,055
Term loan from affiliate	69,023
	\$146,078

The advances from affiliates are repayable on demand in U.S. dollars. The major advance of \$70.8 million bears interest at LIBOR.

The term loan from an affiliate bears interest at 10%, is repayable in U.S. dollars, and matures in 1999. Annual principal repayments of \$5.3 million commence in 1985 and decrease to \$3.2 million from 1995 to maturity.

No amounts were owing to affiliates as of December 31, 1981.

9. Guaranteed trust account

Included in the consolidated balance sheet are assets and liabilities of the guaranteed trust account of Canada Permanent Trust Company as follows:

	1982	1981
	(in thousands of dollars)	
Assets—		
Short-term investments	\$ 468,415	\$ 111,702
Securities:		
Bonds and debentures	188,823	211,904
Stocks—		
Preferred	66,399	76,620
Common	3,515	6,757
	258,737	295,281
Loans:		
Mortgages	2,298,925	2,545,688
Personal	113,845	102,601
Commercial	388,440	279,282
	2,801,210	2,927,571
Total assets	3,528,362	3,334,554
Excess of assets over guaranteed trust liabilities	91,186	59,200
	\$3,437,176	\$3,275,354
Liabilities—		
Demand deposits	\$ 392,761	\$ 375,144
Short-term deposit receipts	185,309	119,032
Registered savings plans deposits	1,274,575	1,079,796
Guaranteed investment certificates	1,584,531	1,701,382
	\$3,437,176	\$3,275,354

10. Capital stock

The authorized and issued share capital of the Corporation was as follows:

Authorized at December 31, 1982—

3,872,200 preference shares of the par value of \$25 each,
issuable in series

20,000,000 common shares of the par value of \$2 each

	1982	1981
	(in thousands of dollars)	
Issued—		
344,687 tax deferred cumulative redeemable convertible preference shares series A (344,687 shares in 1981)	\$ 8,617	\$ 8,617
713,341 8% cumulative redeemable preference shares series B (755,841 shares in 1981)	17,833	18,896
9,363,900 common shares (8,119,601 shares in 1981)	18,728	16,239
	\$ 45,178	\$ 43,752

During 1982, 1,244,299 common shares were issued for \$35.00 per share of which \$33.00 per share was credited to contributed surplus. Of these shares, 530,014 were issued in connection with the acquisition of Genstar Securities Corporation (note 2). The remaining 714,285 shares were issued to Genstar Corporation in connection with the acquisition of an investment property.

During 1981, 841,313 series A preference shares were converted into 1,001,482 common shares at \$21.00 per common share of which \$19.00 per share was credited to contributed surplus.

Tax deferred dividends on the series A preference shares are payable at an annual rate of 6¾% until October 1, 1991 after which date taxable dividends at an annual rate of 8¾% become payable. The series A preference shares are convertible at the option of the holder into common shares at any time to October 1, 1991 at \$21.00 per common share if converted on or before April 1, 1984, increasing in \$1 per share stages to \$25.00 per common share after April 1, 1990. The shares are redeemable after March 31, 1982 and on or before March 31, 1983 at \$26.25 per share reducing \$0.25 per annum to March 31, 1987 after which date the shares are redeemable at par value.

In each twelve month period commencing on April 1, 1982, and subject to certain conditions, the Corporation is required to endeavour to purchase in the open market for cancellation a certain dollar value of series A preference shares based on a defined formula. As all the series A preference shares are owned by the Corporation's parent, no shares were purchased during 1982.

The series B preference shares are redeemable after December 31, 1982 at \$26.50 per share reducing \$0.15 per annum to December 31, 1992 after which date the shares are redeemable at par value. In each calendar year, and subject to certain conditions, the Corporation is required to endeavour to purchase in the open market for cancellation an aggregate of 42,500 series B preference shares at not more than par value. Under this provision, 42,500 shares were purchased and cancelled in each of 1982 and 1981 with the aggregate difference of \$0.3 million in 1982 (\$0.2 million in 1981) between the purchase price and the par value recorded in contributed surplus.

11. Related party transactions

During 1982, the Corporation and its subsidiaries purchased, in the normal course of business, investment properties and loans totalling \$97.9 million (1981—\$2.9 million) from Genstar Corporation and its affiliates. The Corporation and its subsidiaries also rendered certain property rental and trust services to Genstar Corporation and its affiliates during 1982 from which gross income amounted to \$0.6 million.

Included in other assets at December 31, 1982 is \$30.8 million owed to Genstar Securities Corporation and its subsidiaries by Genstar Corporation and its affiliates. Amounts due to Genstar Corporation and its affiliates at December 31, 1982 total \$146.1 million (note 8).

12. Income taxes

A portion of the Corporation's income is tax-exempt dividend income. Exclusion of such dividend income increased the operating loss for tax purposes in both 1981 and 1982. Consequently \$7.6 million (1981—\$11.7 million) of deferred income taxes provided in prior years were recovered.

13. Net gain on disposal of securities and investment properties less non-recurring corporate expenses in 1981

This consists of:

	1982	1981
	(in thousands of dollars)	
Security gains	\$11,064	\$23,061
Security losses	(5,210)	(4,813)
Investment properties disposal gains (losses)	479	(229)
Net gains including net non-taxable gains of \$4,384 in 1982 and \$12,529 in 1981	6,333	18,019
Non-recurring corporate expenses		2,486
	6,333	15,533
Applicable deferred income tax provision	975	1,788
	\$ 5,358	\$13,745

14. Commitments and contingency

(a) At December 31, 1982, outstanding commitments for mortgage advances amounted to \$55.7 million.

Contractual obligations at December 31, 1982 in respect of lease rentals were as follows:

	Payable in the period (in thousands of dollars)		Payable in the period (in thousands of dollars)
1983	\$11,343	1986	\$ 7,598
1984	9,918	1987	6,404
1985	8,641	thereafter	26,007

(b) The Corporation has agreed to partially indemnify one of the defendants in certain actions in which specified damages of substantial amounts are claimed. Management of the Corporation is of the opinion that these actions will not succeed and accordingly no provision has been made in the accompanying financial statements for such liability, if any, as may arise therefrom.

15. Earnings per common share

Earnings per common share are computed on the basis of the weighted average number of common shares outstanding in the year.

No dilution of 1982 net operating income per common share or net earnings per common share would have resulted had all the series A preference shares been converted into common shares.

16. Comparative figures

Comparative figures for 1981 were reported on by other auditors.

Certain 1981 comparative figures have been reclassified from those previously reported to correspond with the presentation adopted in 1982.

Five Year Summary

(in millions of dollars)

YEAR-END POSITION	1982	1981	1980	1979	1978
Assets					
Cash and short-term investments	\$ 948	\$ 331	\$ 165	\$ 202	\$ 300
Securities	495	587	731	552	534
Loans—					
Mortgages	3,545	3,673	3,888	3,780	3,404
Personal	251	263	208	142	122
Commercial	838	732	493	250	154
	4,634	4,668	4,589	4,172	3,680
Other assets	322	99	77	75	65
Total corporate assets	\$ 6,399	\$ 5,685	\$ 5,562	\$ 5,001	\$ 4,579
Assets under administration (book value)—					
Canada	\$ 4,615	\$ 3,975	\$ 3,383	\$ 2,722	\$ 2,572
U.S. mortgage servicing	4,400				
Total assets under administration	\$ 9,015	\$ 3,975	\$ 3,383	\$ 2,722	\$ 2,572
Total	\$15,414	\$ 9,660	\$ 8,945	\$ 7,723	\$ 7,151
Liabilities					
Customers' deposits	\$ 5,657	\$ 5,355	\$ 5,240	\$ 4,687	\$ 4,282
Other liabilities	439	75	65	69	68
Deferred income taxes	32	38	48	52	47
Minority interest in subsidiaries			2	2	1
Total liabilities	\$ 6,128	\$ 5,468	\$ 5,355	\$ 4,810	\$ 4,398
Shareholders' Equity					
	\$ 271	\$ 217	\$ 207	\$ 191	\$ 181

RESULTS FOR THE YEAR

Income

Net investment income	\$ 76	\$ 66	\$ 79	\$ 82	\$ 86
Fees and other income	61	45	36	32	27
Real estate (net of commissions paid)	24	26	19	15	14
Total income	161	137	134	129	127

Expenses

Staff remuneration and benefits	74	71	60	52	49
Premises	21	17	14	12	11
Provision for loan losses	8	1	3	4	3
Other	58	53	42	37	36
Total expenses	161	142	119	105	99

Operating income (loss) before taxes		(5)	15	24	28
Income taxes (recovery)	(8)	(11)	(2)	4	8

Net operating income	8	6	17	20	20
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Net gain on disposal of securities and investment properties less non-recurring corporate expenses in 1981	5	14	12	2	
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Net earnings	\$ 13	\$ 20	\$ 29	\$ 22	\$ 20
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Net operating income as a percent of average common shareholders' equity—					
Basic	2.6%	2.1%	9.2%	12.2%	12.7%
Fully diluted	2.8%	2.5%	8.8%	11.2%	11.6%
Net operating income as a percent of average assets	.13%	.11%	.32%	.42%	.46%
Number of employees full-time—					
Canadian	2,962	2,982	3,225	3,089	3,029
Subsidiaries	434	26	21	21	21
Number of employees part-time	688	801	736	673	622
Number of real estate commissioned sales agents	2,049	1,984	1,858	1,672	1,787

Maturities

(in thousands of dollars)

Maturity Dates	December 31, 1982					December 31, 1981		December 31, 1980		
	Cash and Short-term	Securities	Loans	Total	%	Total	%	Total	%	
Assets										
Due or callable within 1 year	\$948,195	\$111,877	\$2,205,490	\$3,265,562	51.0	\$2,225,404	39.2	\$1,407,043	25.3	
1 to 2 years		127,324	1,032,704	1,160,028	18.1	1,078,873	19.0	1,259,754	22.6	
2 to 3 years		48,628	719,644	768,272	12.0	897,008	15.8	1,018,003	18.3	
3 to 4 years		7,241	210,071	217,312	3.4	632,822	11.1	710,974	12.8	
4 to 5 years		2,658	220,257	222,915	3.5	456,223	8.0	559,982	10.1	
After 5 years		41,673	246,238	287,911	4.5	120,521	2.1	319,839	5.7	
Non-retractable shares		155,162		155,162	2.5	175,753	3.1	209,843	3.8	
	\$948,195	\$494,563	\$4,634,404	6,077,162	95.0	5,586,604	98.3	5,485,438	98.6	
Other assets				321,753	5.0	98,183	1.7	77,010	1.4	
Total assets				\$6,398,915	100.0	\$5,684,787	100.0	\$5,562,448	100.0	
Maturity Dates	Demand Deposits	Registered Savings Plans Deposits	Debs. and GIC's*	Notes Payable	Total	%	Total	%	Total	%
Deposits and Borrowings										
Due or callable within 1 year	\$873,693	\$ 873,421	\$2,073,478	\$136,586	\$3,957,178	61.9	\$3,448,992	60.7	\$3,030,185	54.5
1 to 2 years		110,520	459,986	6,783	577,289	9.0	668,758	11.8	610,768	11.0
2 to 3 years		226,363	602,252	10,175	838,790	13.1	379,974	6.7	551,972	9.9
3 to 4 years		42,842	184,396	8,267	235,505	3.7	687,298	12.1	332,032	6.0
4 to 5 years		21,429	188,376	7,877	217,682	3.4	187,449	3.3	721,107	12.9
After 5 years			134	39,474	39,608	0.6	8,893	0.1	10,580	0.2
	\$873,693	\$1,274,575	\$3,508,622	\$209,162	5,866,052	91.7	5,381,364	94.7	5,256,644	94.5
Other liabilities and shareholders' equity					532,863	8.3	303,423	5.3	305,804	5.5
Total liabilities and shareholders' equity					\$6,398,915	100.0	\$5,684,787	100.0	\$5,562,448	100.0

*Short-term deposit receipts, debentures and guaranteed investment certificates.

Interest Rate Sensitivity as at December 31, 1982

(in thousands of dollars)	Floating Rates	Fixed Rates		Total
		Under 1 Yr.	Over 1 Yr.	
Assets				
Cash and short-term	\$ 938,096	\$	\$	\$ 938,096
Securities	42,266	101,657	340,420	484,343
Loans	747,966	1,981,256	1,840,726	4,569,948
Accrued interest		84,775		84,775
	\$1,728,328	\$2,167,688	\$2,181,146	6,077,162
December 31, 1981	\$1,025,022	\$1,786,238	\$2,775,344	
December 31, 1980	\$ 670,966	\$1,161,401	\$3,653,071	
Other assets				321,753
Total assets				\$6,398,915
Deposits and Borrowings				
Demand deposits	\$ 665,411	\$ 199,992	\$	\$ 865,403
Short-term deposit receipts	607,917			607,917
Registered savings plans deposits	499,470	315,567	401,154	1,216,191
Debentures and guaranteed investment certificates	618	1,305,206	1,409,774	2,715,598
Notes payable	189,107	2,506	17,549	209,162
Accrued interest		192,302	59,479	251,781
	1,962,523	2,015,573	1,887,956	5,866,052
Non-convertible preference shares			17,833	17,833
	\$1,962,523	\$2,015,573	\$1,905,789	5,883,885
December 31, 1981	\$1,645,365	\$1,705,607	\$2,049,288	
December 31, 1980	\$1,492,541	\$1,494,228	\$2,289,835	
Other liabilities and shareholders' equity				515,030
Total liabilities and shareholders' equity				\$6,398,915
Surplus/(deficiency) rate sensitive investments	\$ (234,195)	\$ 152,115	\$ 275,357	\$ 193,277
December 31, 1981	\$ (620,343)	\$ 80,631	\$ 726,056	
December 31, 1980	\$ (821,575)	\$ (332,827)	\$1,363,236	

Interest Margin (on tax equivalent basis)

	1982	1981	1980	1979	1978
Assets					
Cash and short-term investments	14.83%	18.46%	14.46%	11.56%	8.80%
Securities	13.11	13.60	12.11	11.62	10.41
Loans	13.59	12.80	11.24	10.75	10.55
Income earned as a percent of total assets	13.28	12.94	11.41	10.72	10.22
Deposits and Borrowings					
Demand deposits	9.06	10.87	8.60	7.58	5.99
Short-term deposit receipts	13.54	17.80	9.75	12.64	9.63
Registered savings plans deposits	13.69	13.32	10.87	9.94	8.54
Debentures and guaranteed investment certificates	12.61	11.22	10.33	9.46	9.26
Notes payable	13.08	14.97	11.14	11.12	11.10
Non-convertible preference shares	16.00	16.00	16.00	16.00	16.00
Interest paid as a percentage of total assets	11.79	11.52	9.60	8.73	8.03
Interest margin as a percentage of total assets	1.49%	1.42%	1.81%	1.99%	2.19%

Interest Rate Sensitivity Floating Rate Assets and Liabilities as at December 31

(in millions of dollars)	1982		1981	
	\$	%	\$	%
Floating Rate Assets				
Cash and short-term investments	938		328	
Securities	42		52	
Loans—				
Mortgages	9		5	
Personal	73		59	
Commercial	666		581	
	1,728	11.85	1,025	17.37
Floating Rate Liabilities				
Demand deposits	665		593	
Short-term deposit receipts	608		522	
Registered savings plans deposits	499		519	
Debentures and guaranteed investment certificates	1		1	
Notes payable	189		10	
	1,962	9.93	1,645	14.45
Excess floating rate liabilities over floating rate assets	234		620	
Spread on matched floating rate assets		1.92		2.92

Interest Rate Sensitivity Fixed Rate Assets and Liabilities as at December 31

(in millions of dollars)	1982			1981		
	Fixed Rate Assets	Fixed Rate Liabilities	Excess (Deficiency) Assets To Liabilities	Fixed Rate Assets	Fixed Rate Liabilities	Excess (Deficiency) Assets To Liabilities
Due or callable within 1 year	\$2,168	\$2,016	\$ 152	\$1,786	\$1,706	\$ 80
1 to 2 years	1,111	600	511	1,050	694	356
2 to 3 years	579	862	(283)	862	396	466
3 to 4 years	163	243	(80)	437	710	(273)
4 to 5 years	114	167	(53)	178	197	(19)
After 5 years	214	33	181	249	52	197
	\$4,349	\$3,921	\$ 428	\$4,562	\$3,755	\$ 807

Notes: The figures are generally based on contractual term to maturity and do not include any allocation of the company's shareholders' equity.

Consolidated Liquidity as at December 31

(in thousands of dollars)	Approved for statutory liquidity at book value		Approved for financial standards test at market value	
	1982	1981	1982	1981
Liquidity Reserve				
Cash	\$ 16,474	\$ 24,313	\$ 16,474	\$ 24,313
Canada and provincial securities	537,178	392,462	433,807	276,041
Eligible short-term notes of original term under one year	115,210	110,124	662,163	302,563
	668,862	526,899	1,112,444	602,917
Less				
Statutory liquidity requirement, 20% of cashable and demand deposits and term deposits maturing within 100 days	445,784	390,595		
Financial standards test liquidity requirement			491,612	463,570
Surplus liquidity	\$ 223,078	\$ 136,304	\$ 620,832	\$ 139,347

Quarterly Analysis

(in thousands of dollars)	Net Investment Income	Other Income	Operating Expense	Net Operating Income	Net Earnings
1st	\$ 22,709	\$ 10,806	\$ 27,664	\$ 3,956	\$ 3,910
2nd	21,996	17,575	31,763	5,724	5,835
3rd	21,880	17,983	32,169	5,367	5,491
4th	19,770	21,662	34,480	4,738	4,624
1978	86,355	68,026	126,076	19,785	19,860
1st	19,608	12,364	29,943	2,467	2,819
2nd	19,596	19,412	34,379	4,654	4,434
3rd	21,293	21,929	35,822	5,939	5,837
4th	21,264	24,566	35,611	6,928	8,683
1979	81,761	78,271	135,755	19,988	21,773
1st	17,567	13,808	32,376	1,926	1,911
2nd	19,538	20,740	36,063	4,541	4,578
3rd	21,580	25,775	41,199	5,412	6,581
4th	20,744	33,202	48,058	5,111	15,519
1980	79,429	93,525	157,696	16,990	28,589
1st	22,589	19,169	42,045	2,214	3,121
2nd	19,798	31,862	47,813	4,366	5,385
3rd	12,809	32,780	50,922	(368)	(1,782)
4th	10,787	29,048	43,504	31	13,264
1981	65,983	112,859	184,284	6,243	19,988
1st	13,204	19,698	41,671	(2,521)	918
2nd	16,998	29,547	48,161	1,007	1,170
3rd	20,428	27,030	45,039	3,208	3,676
4th	25,773	40,516	58,512	5,717	7,005
1982	\$ 76,403	\$116,791	\$193,383	\$ 7,411	\$ 12,769

Executive Management

John A. C. Hilliker

Chairman, President and
Chief Executive Officer

Paul Desrochers

Senior Vice-President, Corporate Affairs

Harry J. Riva

Vice-President, General Counsel
and Secretary

Gary M. Comerford

Assistant Vice-President,
Office of the Chairman

Denman Sinclair

Assistant Vice-President,
Public Relations

Head Office

320 Bay Street, Toronto

ADMINISTRATION DIVISION

James E. Donahoe

Senior Vice-President

Sidney A. Lindsay

Vice-President and Controller

Glenn H. Temple

Assistant Vice-President
and Assistant Controller

A. Graham Gardner

Manager, Audit Services

John R. Dorken

Assistant Vice-President,
Premises and Administrative Services

COMMERCIAL DIVISION

Hugh G. Tait

Senior Vice-President

S. Robert Rudd

Vice-President, Commercial Lending

John F. Hartos

Vice-President, Leasing

David S. Langford

Assistant Vice-President, Commercial
Leasing

Clarke G. Hopkins

Assistant Vice-President, Credit

Raymond B. Jones

Assistant Vice-President

HUMAN RESOURCES DIVISION

Edward H. Smith

Senior Vice-President

Gerrit T. Bakker

Vice-President, Human Resources

REAL ESTATE BROKERAGE SERVICES DIVISION

John Erickson

Vice-President

SYSTEMS DIVISION

Ronald M. Dragan

Senior Vice-President

Dorothea Penman

Vice-President, Information Services

John P. Pistilli

Assistant Vice-President,
Management Services

Ronald J. Siddaway

Assistant Vice-President,
Systems Operations

William M. Kerrigan

Vice-President, New Product
Development

TREASURY DIVISION

W. Thomas Hodgson

Senior Vice-President

Susan F. Dabarno

Vice-President, Treasury

Peter A. Stuart

Assistant Vice-President,
Corporate Investments

Earl Bederman

Assistant Vice-President and Economist

TRUST SERVICES DIVISION

Norman G. Wright

Senior Vice-President

Walter E. Montgomery

Vice-President, Pension Trust Services

Raymond W. LaForce

Assistant Vice-President,
Corporate Custodial Services

Terrence G. Squires

Vice-President, Corporate Trust Services

John G. Ross

Assistant Vice-President, Corporate
Trust Services

G. Burton Clapperton

Vice-President, Personal Trust Services

Herbert K. Naylor

Vice-President, Client Services

FINANCIAL INTERMEDIARY SERVICES DIVISION

Colin Currie

Senior Vice-President

Head Office

Branch Support Services

James P. McClocklin

Vice-President

Desmond P. R. Bethell

Assistant Vice-President, Savings

John M. Clarke

Assistant Vice-President, Mortgages

H. Keith Minns

Assistant Vice-President, Retirement
Savings and Fund Services

Joseph M. Morabito

Assistant Vice-President,
Term Deposits

J. Steven Mould

Assistant Vice-President, Marketing

REGIONAL OPERATIONS

Pacific

Sydney Mentipty

Vice-President
Pacific Centre
701 W. Georgia Street,
Vancouver, B.C.

J. Emmett Duff

Assistant Vice-President
and Branch Manager
Main Vancouver Branch

Hamish A. Manson

Assistant Vice-President
and Branch Manager
Main Victoria Branch

Western

Robert S. Robson

Vice-President
311-6th Avenue S.W., Calgary, Alberta

Noel A. Edwards

Assistant Vice-President
and Branch Manager
Main Edmonton Branch

A. Keith Forsyth

Assistant Vice-President
and Branch Manager
Main Winnipeg Branch

Ontario—West

Larry J. Dunsdon

Vice-President
39 Upper James Street, Hamilton, Ontario

Ontario—Central

Douglas E. Scott

Vice-President
20 Eglinton Avenue W., Toronto, Ontario

Ontario—North and East

Carson J. Taylor

Assistant Vice-President
and Branch Manager
30 Metcalfe Street, Ottawa, Ontario

Quebec

Paul Desrochers

Senior Vice-President
600 Dorchester Boulevard W., Montreal,
Quebec

Atlantic

Albert W. Nicolle

Vice-President
1646 Barrington Street, Halifax, N.S.

James B. Ellis

Assistant Vice-President
and Branch Manager
1646 Barrington Street, Halifax, N.S.

Board of Directors

Robert D. Armstrong, F.C.A.,
Toronto

Roger L. Beaulieu, Q.C.,
Montreal
Partner, Goudreau Gage Dubuc &
Martineau Walker

Eric J. Brown, Q.C.,
Toronto

A. Lorne Campbell, Q.C., LL.D.,
Winnipeg
Partner, Aikins, MacAulay & Thorvaldson

John H. C. Clarry, Q.C.,
Toronto
Partner, McCarthy & McCarthy

Edward F. Crease,
Halifax
Chairman, Alfred J. Bell & Grant Limited

Robert C. Dowsett,
Toronto
Director, Wm. M. Mercer Limited

John A. C. Hilliker,
Toronto
Chairman, President and Chief Executive
Officer, Canada Permanent Mortgage
Corporation

William James, Ph.D.,
Toronto
President and Chief Operating Officer,
Falconbridge Nickel Mines Limited

The Hon. P. Derek Lewis, Q.C.,
St. John's
Member of The Senate of Canada

Angus A. MacNaughton, C.A.,
San Francisco
President, Genstar Corporation

John F. Perrett, Q.C.,
Toronto
Partner, Robertson, Perrett

William P. Pigott,
Ancaster
President, Pigott Construction Limited

Robert Stollery,
Edmonton
Chairman and President,
PCL Construction Ltd.

Ross J. Turner,
San Francisco
Chairman, Genstar Corporation

Roger D. Wilson, Q.C.,
Toronto
Partner, Fasken & Calvin

Executive Committee

Robert D. Armstrong

Roger L. Beaulieu

Eric J. Brown

John H. C. Clarry

John A. C. Hilliker

Angus A. MacNaughton

Ross J. Turner

Roger D. Wilson

Audit Committee

John F. Perrett*

A. Lorne Campbell

Edward F. Crease

Robert C. Dowsett

William James

Compensation and Benefits Committee

Robert D. Armstrong*

Angus A. MacNaughton

William P. Pigott

Robert Stollery

Ross J. Turner

Subsidiaries

Canada Permanent Trust Company (U.K.) Ltd.

Paul E. Lockyear
Deputy Managing Director
I-2 Finsbury Square
London, England

Sutter Hill Developments Limited

Walter S. Bannister
Chairman

Ronald M. Kirshner

President
123 Edward Street
Toronto, Ontario

Genstar Mortgage Corporation

Erich H. Plaga
President
700 North Central Avenue
Glendale, California

*Chairman

Financial Intermediary and Trust Services Branches

ATLANTIC REGION

Newfoundland
St. John's
240 Water Street †*

Nova Scotia
Dartmouth
63 Tacoma Drive
Halifax
1646 Barrington Street †*

Lunenburg
36 King Street †

New Glasgow
141 Provost Street

Sydney
199 Charlotte Street †

Prince Edward Island
Charlottetown
129 Kent Street

New Brunswick
Fredericton
426 Queen Street East †

Moncton
814 Main Street

Saint John
53 King Street †*

QUEBEC REGION

Montreal
600 Dorchester Blvd. West*
5222 Queen Mary Road

Pointe Claire
183 Hymus Blvd. East

St. Laurent
Place Vertu Shopping Centre

Westmount
1326 Greene Avenue

ONTARIO—WEST REGION

Brantford
Brantford Mall
70 Market Street †*

Burlington
500 Guelph Line †
2201 Brant Street

Cambridge
27 Water Street North †

Guelph
9 Wyndham Street North

Hamilton
39 James Street South †*
1053 King Street West †
Mountain Plaza
308 Ottawa Street North
Westcliffe Mall

Kitchener
692 Belmont Avenue
67 King Street East †*

London
Byronwood Centre
361 Richmond Street †*

Sarnia
195 Christina Street North

St. Catharines
63 Church Street

Stoney Creek
Fiesta Mall
Queenston Mall

Tillsonburg
Tillsonburg City Centre

Windsor
545 Ouellette Avenue †

Woodstock
539 Dundas Street †*

ONTARIO—CENTRAL REGION

Toronto
Agincourt Mall
3114 Bathurst St.
320 Bay Street †
50 Bloor St. W.
2972 Bloor St. W. †
Burnhamthorpe Mall
Cedar Heights Plaza
2901 Danforth
20 Eglinton Avenue W.*
Eglinton Square Shopping Centre
123 Eglinton Avenue E.
Finch West Mall
Iona Square
Markham Place
Parkway Plaza
Sheppard Centre
10 St. Clair Ave. W.
1943 Weston Rd.
Woodside Square Mall
1901 Yonge St.
3335 Yonge St.
Yorkdale Shopping Centre
York Mills Plaza

Oakville
260 Lakeshore Road East

Oshawa
22 King Street West †

Peterborough
138 Simcoe Street

Port Hope
113 Walton Street †

ONTARIO—NORTH AND EAST REGION

Ottawa
30 Metcalfe Street †*
Merivale Mall

Brockville
20 King Street West

Sault Ste. Marie
629 Queen Street East

Sudbury
120 Durham Street South †

Thunder Bay
215 Red River Road

WESTERN REGION

Winnipeg
433 Portage Avenue †*
St. Vital Shopping Centre

Saskatchewan
Regina
1778 Scarth Street †*

Saskatoon
Place Riel Campus Centre
170 Second Avenue South †*

Alberta
Calgary
311-6th Avenue S.W.*
Beddington Heights Mall
Brentwood Village Mall
Marlborough Mall
Sunridge Mall
Willow Park Village Mall

Edmonton
Heritage Mall
10038 Jasper Avenue †*
Meadowlark Park Shopping Centre

PACIFIC REGION

British Columbia
Chilliwack
1 Wellington Avenue

Kamloops
191 Victoria Street

Penticton
262 Main Street

Prince George
299 Victoria Street

Vancouver
455 Granville Street
2699 Granville Street
Lansdowne Park Mall
(Richmond)
1604 Lonsdale Avenue
(North Vancouver)
Pacific Centre*
Park Royal Shopping Centre
(West Vancouver)
2154 West 41st Avenue

Victoria
Cedar Hill Mall
1125 Douglas Street †*

†Premises owned by The Permanent
*Branches offering Trust Services

Real Estate Offices

NOVA SCOTIA

Dartmouth
21 Micmac Blvd., Micmac Mall
Halifax
7001 Mumford Rd.

Sackville
800 Sackville Drive

NEW BRUNSWICK

Moncton
987 Main Street
Saint John
551 Westmorland Place

QUEBEC

South District

Boucherville
1001 boul. Montravelle
Beloeil
524 boul. Sir Wilfred Laurier
Brossard Taschereau
7350 boul. Taschereau
Brossard Lapiniere
3200 boul. Lapiniere
Chateauguay
115 boul. d'Anjou
Longueuil
1999 Roland Therrien
St. Hubert
5950 boul. Cousineau
St. Jean
423 rue St. Jacques
St. Bruno
1317 rue Roberval

North District

Chomedey
1600 boul. Le Corbusier
Duvernay
3100 boul. de la Concorde
Repentigny
100 boul. Brien
St. Jerome
9, 400 boul. des Laurentides
St. Leonard
7373 boul. Langelier
Ste. Therese
300 boul. Sicard

Montreal West and Lakeshore

Dollard des Ormeaux
4230 boul. St. Jean
LaSalle
8182 boul. Champlain
Montreal
4964 rue Queen Mary
110 boul. Cremazie Ouest
Pointe Claire
183-E boul. Hymus
St. Laurent
3684 Cote Vertu
Dorion
140 boul. Harwood
Beaconsfield
40 C boul. St. Charles

Central and Eastern Quebec

Charlesbourg Quebec
805, 47e rue Est
Quebec City
5500 boul. des Gradins
Quebec Commercial
2925 Chemin St. Foy, St. Foy
Rimouski
143 West St-Germain
Sept-Iles
811 boul. Laure
Shawinigan
3950, 12e avenue
Sherbrooke
2273 King Ouest
St. Foy, Quebec
999 De Bourgogne
Trois Rivieres
1100 Des Recollets

ONTARIO

Toronto Commercial
145 Front Street East

Toronto District

Agincourt
3107 Sheppard Ave. East
Bayview
1560 Bayview Avenue
Davisville
1901 Yonge Street
Eglinton
899 Eglinton Avenue West
Leslie
109 Ravel Road, Willowdale
Kingsway
2968 Bloor Street West
Morningside
255 Morningside Ave., W. Hill
Scarborough
1940 Eglinton Avenue East
Thornhill
8055 Yonge Street
Willowdale
Yonge Street & Steeles Ave.
Richmond Hill
10165B Yonge Street

CENTRAL ONTARIO

Bramalea
44 Peel Centre Drive, Brampton
Burlington
3235 Fairview Street
Hamilton
1012 Upper James Street
1309 Main Street West
Mississauga
90 Dundas Street West
Oakville
351 Church Street
St. Catharines
318 Ontario Street

EASTERN ONTARIO

Oshawa
500 Rossland Road West
Ottawa
2315 Riverside Drive
1655 Montreal Road
2685 Iris Street
Peterborough
727 Lansdowne Street West

WESTERN ONTARIO

Brantford
484 West Street
London
1775 Ernest Avenue
585 Richmond Street
Sarnia
270 Christina Street North
Windsor
4505 Tecumseh Road East

MANITOBA

Winnipeg
3900 Grant Avenue
1910 Pembina Highway
2305 McPhillips Street
1360-360 Main St., Winnipeg Square

SASKATCHEWAN

Regina
2727 Parliament
Saskatoon
1209-22nd Street West

ALBERTA

Calgary
2, 3802 Morley Trail N.W.
180-94th Avenue S.E.
3109 Palliser Drive S.W., Suite 12
999-8th Street S.W., # 520
Edmonton
10020-101 A Avenue, Suite 900
170th Street & Stoney Plain Road
318, 8925-51 Avenue
2012 Tudor Glen Shopping Centre,
Gervais Road, St. Albert

BRITISH COLUMBIA

Burnaby
150-5665 Kingsway
Chilliwack
46294 Yale Road East
Langley
20269 Fraser Highway
Richmond
6740 No. 3 Road
Surrey
10558 King George Highway
Vancouver
701 West Georgia Street
2629 Kingsway
1991 Lonsdale Avenue, N. Van.
5455 West Boulevard
107 Park Royal South, W. Van.
Victoria/Saanich
3647 Shelbourne Street

Our Services

FINANCIAL INTERMEDIARY SERVICES

Savings and Chequing Accounts
Term Deposits (Debentures and
Guaranteed Investment Certificates)
Short-Term Deposit Receipts
Retirement Savings Plans
Home Ownership Savings Plans
Permaservice
Sixty and Over Service
First and Second Mortgage Loans
Personal Loans
Demand Loans
Commercial Loans
Commercial Leasing

TRUST SERVICES

Investment Management
Custodianship Services
Estate Planning
Estate and Trust Administration
Corporate Custodial Services
Employee Benefit Services
Self-Administered RSP
Indenture Trustee for
Bonds/Debentures
Stock Transfer Agent and Registrar
Dividend Disbursement Agent
Dividend Reinvestment Plan

REAL ESTATE BROKERAGE SERVICES

Real Estate Brokerage Services
Corporate Home Re-Location Services

COMMERCIAL REAL ESTATE DEVELOPMENT

