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BUSINESS FINANCIAL STATISTICS
BALANCE SHEETS

Selected Financial Institutions

FOURTH QUARTER 1966

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Improvements to the Data – Trust Companies and Mortgage Loan Companies

A redesigned questionnaire was introduced in the fourth quarter of 1966 affecting the statistics as follows:

1. A finer break-down of items was obtained.
2. Some of the items were redefined.
3. All securities and mortgages are to be reported at cost. Their respective reserves are to be reported in the new item "Investment reserves" in the shareholders' equity portion of the balance sheet.
4. The introduction of a retained earnings statement provides a reconciliation between the quarterly change in the retained earnings in the balance sheet with the net profit for the quarter. (Publication of this statement together with income statement will be initiated in the near future.)

Among the items affected were the following:

Items 3(a)(v) and 3(a)(vi). – Sales finance paper and commercial paper are now shown separately, instead of being combined.

Items 3(a)(vii) and 3(a)(viii). – Term deposits of banks and term deposits of trust and mortgage companies are new items, previously they were included variously with deposits in banks and other institutions, short-term notes, corporation bonds and collateral loans. As a result, these items were overstated in previous quarters. For example, had corporations classified deposit receipts of banks and trust certificates for fourth quarter 1966 as in the past, short-term notes of finance companies would have been at least $34 million higher.

Items 4, 17 and 24 A. – All companies are now requested to estimate quarterly accrued interest, rents, etc., receivable and payable and these are now shown as separate items. Because these items were not consistently reported in the past, the amounts that were reported by companies for receivables were deducted from the sum of interest and dividends payable and retained earnings. This amount is included in item 24A as net accruals, payables and retained earnings. Item 24B now reflects the true retained earnings.

Item 12. – Certificates, debentures and term deposits are now segregated into three categories according to original term. The under one year category provides a traditional demarcation, the one to six year category provides the bulk of term deposits issued over the counter; the over six year category consists mainly of long term publicly offered or privately placed debentures.

Items 22 and 23. – Investment reserves and the reserve fund were combined previously. These items are now not only segregated but all investment reserves are to be reported in item 22. Previously, some corporations were charging reserves against the respective asset. As a result, it is estimated that third quarter investment in securities and investment reserves are understated by approximately $35 million for the trust companies and by approximately $5 million for the mortgage loan companies.

Total assets, total liabilities and shareholders' equity. – For the trust companies, third quarter figures for these items are understated relative to the fourth quarter by about $50 million. This amount of understatement is due to the $35 million mentioned in above paragraph regarding investment reserves and the balance of roughly $15 million as a result of past procedures of netting accrued receivables against accrued payables and retained earnings.

For the mortgage loan companies, this understatement amounts to about $40 million consisting of about $5 million from investment reserves and roughly $35 million from netting accruals.
The figures for previous quarters for both these tables are similarly understated.

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INTRODUCTION

The present publication contains the balance sheets for trust companies, mortgage loan companies, sales finance and consumer loan companies, mutual funds, closed-end funds, and investment dealers. As information becomes available, the published tables will be expanded to include insurance carriers, credit unions and caisses populaires, other companies in the finance, insurance and real estate industry, and non-financial corporations.

The quarterly survey was started on the recommendation of the Interdepartmental Committee on Financial Statistics, which represents several government departments and the Bank of Canada. The Committee found that the lack of up-to-date information on the assets and liabilities of corporations was a serious handicap to those concerned with economic and monetary policies. More complete and up-to-date information from financial institutions and non-financial corporations on the sources and uses of funds is essential in assessing such factors as the distribution and adequacy of funds available at any particular time. This corporation information will be combined with data from other parts of the economy to give a comprehensive picture of the financing of economic activity.

Although quarterly (or more frequent) data have been available for some time in areas such as banking, quarterly data for the groups in this report are new, and problems in interpreting the results may occur. For example, seasonal factors affect loans by sales finance companies, and short term commercial paper held by trust companies. Until more experience has been obtained so that deseasonalized totals can be published, each quarter's results should be related to several previous quarters. There will also be discontinuities caused by reorganisations, mergers, reclassification of companies into and out of the published industries, and other factors.

The published balance sheet material is designed to show estimates of the totals at the end of each quarter. It should be used with caution when changes from one quarter to another are being studied. At a later stage, as financial flows accounts are developed, the corrected quarterly changes will be published by industry.

This publication has been prepared in the Business Finance Division. Acknowledgement is gratefully made to the companies reporting in the survey whose cooperation has made this report possible.

TABLE 1. Trust Companies

Quarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity

	1963	1964				1965[1]				1966[1]			
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q[2]
	millions of dollars												
Assets													
1. Cash on hand and on deposit:													
(a) In Canadian dollars:													
(i) Cash and bank deposits	60	42	47	42	67	47	60	53	84	79	74	64	72
(ii) Cash in other institutions	3	4	3	3	6	4	3	3	7	2	3	5	3
2. Foreign currency	8	3	9	6	13	1	2	6	8	8	7	13	13
3. Investments:													
(a) Investments in Canadian securities:													
(i) Government of Canada treasury bills	27	14	7	5	16	12	10	5	12	13	7	4	16
(ii) Other Government of Canada debt	291	338	325	343	369	374	376	371	375	390	401	390	421
(iii) Provincial government debt	154	170	166	159	168	192	205	189	195	197	199	208	228
(iv) Municipal government debt	114	128	131	126	138	149	147	136	126	129	119	122	126
(v) Short-term notes of sales finance companies[3]	135	259	282	236	183	366	394	292	208	332	300	316	130
(vi) Commercial paper of other companies[3]													62
(vii) Deposit receipts, certificates and term deposits in chartered banks[3]	...	...	...	...	...	...	...	...	...	...	...	...	72
(viii) Certificates, debentures and term deposits in trust and mortgage loan companies[3]	...	...	...	...	...	...	...	...	...	...	...	...	18
(ix) Corporation bonds and debentures	170	185	189	203	198	201	226	235	219	254	259	258	236
(x) Collateral loans	123	97	107	106	102	161	104	106	108	109	107	128	118
(b) Mortgages and sales agreements:													
(i) Loans under National Housing Act[3]	1,103	1,184	1,263	1,351	1,449	1,545	1,690	1,838	1,927	1,990	2,074	2,121	448
(ii) Conventional mortgage loans[3]													1,713
(c) Investments in Canadian preferred and common shares	65	67	70	66	67	71	79	77	75	76	78	80	82
(d) Investments in foreign securities	4	4	4	4	6	7	7	7	5	6	7	11	13
(e) Investments in subsidiary and affiliated companies	10	13	13	14	18	19	18	20	19	22	25	31	30
4. Interest, dividends and rents receivable[4]	...	...	...	...	...	...	...	...	...	...	...	...	[illegible]
5. Real estate and equipment	36	39	40	41	43	44	45	46	46	48	49	47	[illegible]
6. Other assets	18	16	17	17	19	17	20	19	27	25	24	22	[illegible]
Total assets[4]	**2,321**	**2,561**	**2,674**	**2,722**	**2,860**	**3,208**	**3,385**	**3,401**	**3,439**	**3,681**	**3,733**	**3,820**	**3,902**
Liabilities													
11. Demand and savings deposits:													
(a) Chequing	450[r]	445[r]	467[r]	486[r]	512[r]	526	575	558	559	554	571	569	566
(b) Non-chequing	360[r]	439[r]	455[r]	480[r]	536[r]	549	577	556	556	569	554	536	528
12. Certificates, debentures and term deposits:													
Original term:													
(a) Less than one year[3]													612
(b) One to six years[3]	1,299[r]	1,435[r]	1,497[r]	1,485[r]	1,551[r]	1,825	1,901	1,953	2,006	2,195	2,266	2,360	1,777
(c) Over six years[3]													32
13. Bank loans:													
(a) Canadian chartered banks:													
(i) Canadian currency	2	2	3	9	2	5	10	11	4	7	10	5	3
(ii) foreign currency[3]	...	...	...	...	...	...	...	...	...	...	...	1	–
(b) Other bank loans[3]													3
14. Short-term loans and notes payable	6[r]	13[r]	18[r]	17[r]	5[r]	35	49	42	37	64	31	44	17
15. Owing parent and affiliated companies[3]	4	3	4	4	4	6	3	4	3	3	3	3	7
17. Interest, dividends, taxes and other liabilities[4]													36
Shareholders' equity													
21. Paid-in capital	71	81	85	89	93	96	99	100	101	107	107	108	113
22. Investment reserves[3]	115	117	124	127	135	137	145	147	153	154	160	160	56
23. Reserve fund[3]													140
24 A. Net accruals, payables and retained earnings[4]	15	25	20	26	21	28	25	31	20	27	31	35	–
B. Retained earnings[3]	...	...	...	...	...	...	...	...	...	...	...	...	12
Total liabilities and shareholders' equity[4]	**2,321**	**2,561**	**2,674**	**2,722**	**2,860**	**3,208**	**3,385**	**3,401**	**3,439**	**3,681**	**3,733**	**3,820**	**3,902**

[1] Figures revised to take into account the latest available information.
[2] Prior to fourth quarter, 1966 a number of companies reported investments in securities after deducting investment reserves. Currently, investments are requested to be reported at original cost with investment reserves reported in item 22.
[3] Detail not available prior to fourth quarter, 1966.
[4] Prior to fourth quarter, 1966 total assets excludes dividends, accrued interest, and other receivables. These receivables are netted against the combined liability items, interest, dividends and other payables, and retained earnings.

[r] Revised figures.

TABLE 2. Mortgage Loan Companies

Quarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity

	1963	1964				1965[1]				1966[1]			
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q[2]
	millions of dollars												
Assets													
1. Cash on hand and on deposit:													
(a) In Canadian dollars:													
(i) Cash and bank deposits	17	19	19	66	50	38	40	38	47	40	36	22	31
(ii) Cash in other institutions	3	6	12	9	13	8	8	5	7	10	5	5	1
2. Foreign currency										4	2		
3. Investments:													
(a) Investments in Canadian securities:													
(i) Government of Canada treasury bills	3	3	12	7	3	3		4		8	4		7
(ii) Other Government of Canada debt	104	102	103	118	117	129	121	109	117	119	119	110	118
(iii) Provincial government debt	35	37	41	41	42	44	47	45	39	46	46	45	44
(iv) Municipal government debt	8	8	9	9	11	10	10	10	10	10	10	10	10
(v) Short-term notes of sales finance companies[3]													1
(vi) Commercial paper of other companies[3]	4	6	6	11	8	11	3	5	2	9	13	11	1
(vii) Deposit receipts, certificates and term deposits in chartered banks[3]	...	...	...	...	...	...	...	...	...	...	...	...	5
(viii) Certificates, debentures and term deposits in trust and mortgage loan companies[3]	...	...	...	...	...	...	...	...	...	...	...	...	5
(ix) Corporation bonds and debentures	25	24	24	26	26	32	28	27	31	28	28	28	24
(x) Collateral loans	13	12	10	12	13	11	11	13	20	21	23	22	22
(b) Mortgages and sales agreements:													
(i) Loans under National Housing Act[3]	1,188	1,254	1,328	1,410	1,492	1,593	1,693	1,796	1,827	1,845	1,881	1,931	127
(ii) Conventional mortgage loans[3]													1,815
(c) Investments in Canadian preferred and common shares	52	51	53	55	56	54	60	57	55	55	55	56	58
(d) Investments in foreign securities	4	14	7	4	4	4	4	4	4	3	4	4	4
(e) Investments in subsidiary and affiliated companies	43	47	45	49	50	206[5]	203	199	201	199	196	195	194
4. Interest, dividends and rents receivable[4]	...	...	...	...	...	...	...	...	...	...	...	...	22
5. Real estate and equipment	36	37	38	41	42	44	44	49	50	52	55	56	59
6. Other assets	8	13	13	11	10	11	18	15	15	16	16	18	15
Total assets[4]	**1,544**	**1,633**	**1,722**	**1,869**	**1,936**	**2,199**	**2,290**	**2,376**	**2,426**	**2,464**	**2,492**	**2,514**	**2,564**
Liabilities													
11. Demand and savings deposits:													
(a) Chequing	139	143	148	150	155	151	157	155	162	149	166	162	165
(b) Non-chequing	121	133	145	155	166	183	187	198	203	203	198	210	208
12. Certificates, debentures and term deposits: Original term:													
(a) Less than one year[3]													43
(b) One to six years[3]	995	1,031	1,070	1,145	1,182	1,235	1,274	1,303	1,372	1,408	1,434	1,455	820
(c) Over six years[3]													623
13. Bank loans:													
(a) Canadian chartered banks:													
(i) Canadian currency	22	27	42	19	25	29	44	63	60	55	58	49	56
(ii) Foreign currency[3]	...	...	...	...	...	1	...	3	3	3	2	3	12
(b) Other bank loans[3]													1
14. Short-tem loans and notes payable	36	38	52	108	108	120	137	151	125	138	136	128	107
15. Owing parent and affiliated companies[3]	16	19	22	38	46	201[5]	201	202	207	202	199	196	176
17. Interest, dividends, taxes and other liabilities[4]													58
Shareholders' equity													
21. Paid-in capital	80	95	101	101	107	116	120	120	123	121	122	122	122
22. Investment reserves[3]	87	88	90	92	93	100	106	107	111	111	113	113	25
23. Reserve fund[3]													97
24. A. Net accruals, payables and retained earnings[4]	47	58	52	61	54	63	63	74	61	73	62	75	–
B. Retained earnings[3]	...	...	...	...	...	...	...	...	...	...	...	...	52
Total liabilities and shareholders' equity[4]	**1,544**	**1,633**	**1,722**	**1,869**	**1,936**	**2,199**	**2,290**	**2,376**	**2,426**	**2,464**	**2,492**	**2,514**	**2,564**

[1] Figures revised to take into account the latest available information.

[2] Prior to fourth quarter, 1966 a number of companies reported investments in securities after deducting investment reserves. Currently, investments are requested to be reported at original cost with investment reserves reported in item 22.

[3] Detail not available prior to fourth quarter, 1966.

[4] Prior to fourth quarter, 1966 total assets excludes dividends, accrued interest, and other receivables. These receivables are netted against the combined liability items, interest, dividends and other payables, and retained earnings.

[5] The increase in these items is caused by changes in inter-company accounts of affiliated companies.

TABLE 3. Sales Finance and Consumer Loan Companies

Quarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity

	1963	1964				1965[1]				1966[1]			
	4Q	1Q	2Q	3Q	4Q	1Q	2Q[2,3]	3Q[2]	4Q[2]	1Q[2]	2Q[2]	3Q[2]	4Q[2]
	millions of dollars												
Assets													
1. Cash on hand and on deposit:													
(a) In Canadian dollars:													
(i) Cash and bank deposits	27	37	36	40	46	41	41	33	44	41	53	84	64
(ii) Cash in other institutions	4	2	1	4	2	11	1	1	1	40	1	1	2
(b) In foreign currency	8	8	13	14	14	14	14	24	12	13	13	14	17
2. Accounts and notes receivable*	2,751	2,899	3,128	3,080	3,200	3,361	3,594	3,521	3,738	3,648[4]	3,713[5]	3,576	3,706
3. Other current assets	5	6	7	8	10	8	8	8	12	9	9	10	7
4. Investments and advances:													
(a) Investments in Canadian securities:													
(i) Short-term notes of finance and other companies	7	6	5	7	1	10	10	11	4	22	5	32	11
(ii) Government of Canada treasury bills	5	6	11	13	3	11	17	12	1		10	2	
(iii) Other Government of Canada debt	18	13	27	29	9	16	9	17	16	23	33	32	26
(iv) Other Canadian bonds and debentures	43	53	58	38	60	59	57	23	16	13	15	16	8
(v) Other Canadian investments	15	17	18	10	5	18	22	27	30	34	33	38	51
(b) Investments in Canadian preferred and common shares	13	13	27	23	14	9	11	11	9	9	9	10	8
(c) Investments in foreign securities	4				1	1	1	1	2	2	2	13	32
(d) Investments in subsidiary and affiliated companies	252	260	210	256	264	271	242	268	277	378[4]	382	387	386
5. Property, plant and equipment	18	22	31	31	32	34	34	37	39	31	34	35	36
6. Other assets	20	21	25	25	27	32	33	33	28	31	32	32	32
Total assets	**3,191**	**3,365**	**3,598**	**3,579**	**3,686**	**3,895**	**4,096**	**4,028**	**4,228**	**4,293**	**4,345**	**4,282**	**4,386**
Liabilities													
11. Owing parent and affiliated companies	493	493	449	453	452	491	620	605	686	732	719	743	794
12. Short-term bank loans:													
(a) Bank loans and overdrafts (Canadian dollars)	259	224	238	198	228	210	293	349	433	311	347	266	327
(b) Other bank loans	49	50	53	65	82	95	23	68	101	89	84	69	76
13. Short-term loans and notes payable:													
(a) Demand and short-term notes (Canadian dollars)	733	884	1,039	900	858	968	965	827	734	879	943	953	[illegible]
(b) Demand and short-term notes (foreign currency)	68	102	124	187	202	184	186	190	164	161	126	81	[illegible]
(c) Other short-term loans	2	2	3	1	2	1	2	2	13	1	1	1	[illegible]
14. Accounts payable:													
(a) Income and other taxes payable	22	24	23	26	22	25	16	19	18	16	19	22	[illegible]
(b) Other payables	38	48	54	65	65	73	86	57	95	90	103	84	[illegible]
15. Other current liabilities:													
(a) Dealers' credit balances	45	43	46	48	46	45	48	50	48	47	50	50	49
(b) Other current liabilities	5	6	6	6	6	6	6	5	5	5	6	6	6
16. Long-term debt:													
(a) Debentures, bonds and notes (Canadian dollars)	622	634	645	690	743	773	845	844	869	873	857	882	892
(b) Debentures, bonds and notes (foreign currency)	243	242	258	260	282	302	269	254	303	342	358	376	376
(c) Mortgages and other long-term debt	4	2	6	6	6	7	7	7	6	3	4	3	3
17. Other liabilities:													
(a) Unearned income and other deferred credits	183	183	204	213	217	218	230	238	245	239	257	265	267
(b) Pensions, trust or earmarked funds	1	1	1	1	1	1	1	1	1	1	1		2
(c) Interest of minority shareholders	1												
Shareholders' equity													
21. Paid-in capital	261	255	273	276	288	302	308	314	331	328	344	349	354
22. Retained earnings	163	171	175	183	186	194	189	195	175	177	126[5]	133	120
Total liabilities and shareholder's equity	**3,191**	**3,365**	**3,598**	**3,579**	**3,686**	**3,895**	**4,096**	**4,028**	**4,228**	**4,293**	**4,345**	**4,282**	**4,386**
* Footnote:													
(a) Specified receivables:[6]													
Sales finance companies:													
Consumer goods	874	903	996	1,038	1,035	1,022	1,091	1,124	1,131	1,127	1,189	1,224	1,210
Commercial and industrial goods	520	515	558	584	588	588	643	673	665	644	677	679	662
Wholesale goods	301	418	413	251	268	381	421	274	452	478	477	264	393
Totals	**1,695**	**1,836**	**1,967**	**1,873**	**1,891**	**1,991**	**2,155**	**2,071**	**2,248**	**2,249**	**2,343**	**2,167**	**2,265**
Consumer loan companies:													
Instalment credit	55	47	49	52	54	57	63	65	67	67	70	72	74
Cash loans	755	751	788	814	850	872	919	940	976	991	1,035	1,063	1,096
Totals	**810**	**798**	**837**	**866**	**904**	**929**	**982**	**1,005**	**1,043**	**1,058**	**1,105**	**1,135**	**1,170**
(b) Other receivables[7]	288	310	372	390	455	494	513	505	512	405[4]	333[5]	343	342
Total receivables	**2,793**	**2,944**	**3,176**	**3,129**	**3,250**	**3,414**	**3,650**	**3,581**	**3,803**	**3,712**	**3,781**	**3,645**	**3,777**
Allowance for bad debts	− 42	− 45	− 48	− 49	− 50	− 53	− 56	− 60	− 65	− 64	− 68	− 69	− 71
Total receivables (net)	**2,751**	**2,899**	**3,128**	**3,080**	**3,200**	**3,361**	**3,594**	**3,521**	**3,738**	**3,648**	**3,713**	**3,576**	**3,706**

[1] Revised to take into account the latest available information.
[2] Includes outstanding liabilities in default of one company which went into receivership.
[3] Reflects the reorganization of a company with its U.S. parent.
[4] These items have been affected in this quarter by the deconsolidation of statements submitted by several companies.
[5] These items have been affected in this quarter by the write-downs of receivables held by companies in receivership.
[6] Detail of "Specified receivables" is taken from DBS publication, *Credit Statistics* (Catalogue No. 61-004).
[7] "Other receivables" includes capital loans, other non-personal loans, receivables of subsidiaries engaged in other activities and sampling errors.

TABLE 4. Mutual Funds

Quarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity

	1963	1964				1965[1]				1966[1]			
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	millions of dollars												
Assets													
1. Cash on hand and on deposit:													
(a) Canadian dollars:													
(i) Cash and bank deposits	9	10	16	17	18	24	23	25	32	42	43	40	40
(ii) Cash in other institutions	1	3	3	2	4	3	5	7	9	12	7	7	15
(b) Foreign currency	2	2	2	2	2	1	2	4	5	10	6	6	3
2. Short-term notes and bills:													
(a) Government of Canada treasury bills	4	4	4	4	2	3	3	2	2	2	3	3	3
(b) Canadian short-term notes of finance and other companies	5	3	10	39	41	48	33	38	31	44	35	27	38
(c) Foreign short-term notes			1	3	1	3	1	2	1	1		3	1
3. Interest and dividends due and accrued	6	6	7	6	7	7	8	9	9	9	9	9	10
4. Amount due from brokers and other current assets	5	8	5	10	7	14	12	10	15	20	22	19	10
5. Portfolio at **cost** (see also Table 4 A):													
(a) Investments in Canadian bonds:													
(i) Government of Canada debt	58	61	68	72	78	77	63	68	70	69	62	62	76
(ii) Provincial and municipal debt	31	31	29	34	47	59	58	55	58	51	49	47	50
(iii) Corporate bonds and debentures	40	46	43	44	48	59	64	65	67	67	67	66	67
(iv) Mortgages and agreements of sale	6	7	9	10	12	13	13	13	13	13	13	12	12
(v) Other Canadian investments	11	19	27	5	9	14	10	19	25	23	15	19	15
(b) Investments in Canadian shares:													
(i) Preferred shares	64	67	71	71	74	81	91	107	110	120	137	140	128
(ii) Common shares	518	535	558	587	635	693	755	772	808	830	858	874	864
(c) Investments in foreign securities:													
(i) Bonds, debentures, mortgages, etc.	10	10	6	4	5	5	4	4	4	9	8	12	10
(ii) Preferred and common shares	151	153	166	177	186	208	245	276	316	366	465	509	545
Total portfolio at cost	**889**	**929**	**977**	**1,004**	**1,094**	**1,209**	**1,303**	**1,379**	**1,471**	**1,548**	**1,674**	**1,741**	**1,767**
6. Property, buildings and equipment													
7. Other assets													1
8. **Total assets at cost**	**920**	**966**	**1,024**	**1,085**	**1,178**	**1,313**	**1,390**	**1,476**	**1,574**	**1,688**	**1,799**	**1,855**	**1,889**
Liabilities													
11. Short-term loans:													
(a) Bank loans in Canadian currency	2	1	2	1	1	1	1	1		1	1	1	
(b) Other loans payable				1			1	1					
12. Accounts payable:													
(a) Income and other taxes payable	1	1	1	1	1	1	1	1	1	1	2	2	2
(b) Amount due brokers and other payables	6	6	9	11	10	27	20	12	9	18	27	22	15
13. Long-term debt	1	1	1	1	1	1	1	1	1				
14. Other liabilities		1		1			1	1			1		1
Shareholders' equity													
20. Paid-in capital	845	880	926	980	1,072	1,178	1,244	1,333	1,423	1,515	1,597	1,653	1,702
22. Retained earnings	65	76	85	90	92	104	123	126	139	153	171	176	167
Total liabilities and shareholders' equity	**920**	**966**	**1,024**	**1,085**	**1,178**	**1,313**	**1,390**	**1,476**	**1,574**	**1,688**	**1,799**	**1,855**	**1,889**

TABLE 4 A. Investment Portfolio at Market Value

	1963	1964				1965[1]				1966[1]			
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	millions of dollars												
1. Portfolio:													
(a) Investments in Canadian bonds:													
(i) Government of Canada debt	58	60	68	72	78	77	63	68	69	68	61	61	75
(ii) Provincial and municipal debt	30	31	29	34	47	59	58	54	56	50	48	44	46
(iii) Corporate bonds and debentures	42	48	46	44	49	60	64	64	65	66	66	63	64
(iv) Mortgages and agreements of sale	7	7	9	10	12	13	13	13	13	13	13	12	12
(v) Other Canadian investments	11	20	28	5	9	14	10	19	25	23	15	19	15
(b) Investments in Canadian shares:													
(i) Preferred shares	67	70	75	75	78	84	92	106	108	116	132	128	114
(ii) Common shares	676	721	786	853	909	1,005	1,009	1,047	1,088	1,093	1,084	977	1,003
(c) Investments in foreign securities:													
(i) Bonds, debentures, mortgages, etc	10	10	6	4	5	5	4	3	3	9	7	11	10
(ii) Preferred and common shares	183	194	210	226	236	265	287	348	419	484	554	509	608
Total portfolio at market	**1,084**	**1,161**	**1,257**	**1,323**	**1,423**	**1,582**	**1,600**	**1,722**	**1,846**	**1,922**	**1,980**	**1,824**	**1,947**
2. **Total portfolio at cost** (Item 5-Table 4)	**889**	**929**	**977**	**1,004**	**1,094**	**1,209**	**1,303**	**1,379**	**1,471**	**1,548**	**1,674**	**1,741**	**1,767**
3. **Unrealized appreciation** (Item 1 minus Item 2)	**195**	**232**	**280**	**319**	**329**	**373**	**297**	**343**	**375**	**374**	**306**	**83**	**180**
TOTAL ASSETS AT MARKET PRICES (Item 8, Table 4 plus Item 3, Table 4 A)	**1,115**	**1,198**	**1,304**	**1,404**	**1,507**	**1,686**	**1,687**	**1,819**	**1,949**	**2,062**	**2,105**	**1,938**	**2,069**

[1] Figures revised to take into account the latest available information.

TABLE 5. Closed-end Funds

Quarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity

	1963	1964				1965				1966			
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	millions of dollars												
Assets													
1. Cash on hand and on deposit:													
(a) Canadian dollars:													
(i) Cash and bank deposits	1	2	1	1	2	2	2	2	5	5	2	1	3
(ii) Cash in other institutions	1	1	1	3	2	3	2	2	3	2			
(b) Foreign currency										1			5
2. Short-term notes and bills:													
(a) Government of Canada treasury bills							2	1	1	1			
(b) Canadian short-term notes of finance and other companies	3	1	2	6	6	21	9	30	12	8	28	18	13
(c) Foreign short-term notes													
3. Interest and dividends due and accrued	1	1	1	1	1	1	1	1	1	1	1	1	1
4. Amount due from brokers and other current assets	2	1	2	2	2	2	1	1	1	2	1	2	1
5. Portfolio at **cost** (see also Table 5A):													
(a) Investments in Canadian bonds:													
(i) Government of Canada debt	5	4	3	4	5	6	7	6	6	7	8	10	9
(ii) Provincial and municipal debt	1			1	1	1	1	1	1	1	1	1	1
(iii) Corporate bonds and debentures	13	14	11	8	10	9	10	10	9	10	10	9	13
(iv) Mortgages and agreements of sale							1		1	1	1	1	1
(v) Other Canadian investments							3	1		6	6	6	7
(b) Investments in Canadian Shares:													
(i) Preferred shares	29	34	34	33	35	35	33	34	36	34	38	36	41
(ii) Common shares[1]	324	334	336	349	369	385	368	372	393	403	406	419	413
(c) Investments in foreign securities:													
(i) Bonds, debentures, mortgages, etc.							1	1	1	1	1	1	1
(ii) Preferred and common shares[1]	23	25	26	26	26	28	31	36	37	37	38	37	37
Total portfolio at cost	**395**	**411**	**410**	**421**	**446**	**464**	**455**	**461**	**484**	**500**	**509**	**520**	**523**
6. Property, buildings and equipment													
7. Other assets	2	2	1	1	2	2	2	4	2	2	2		2
8. **Total assets at cost**	**406**	**421**	**418**	**437**	**463**	**497**	**474**	**503**	**509**	**524**	**542**	**544**	**549**
Liabilities													
11. Short-term loans:													
(a) Bank loans in Canadian currency	19	25	2	2	5	1	6	6	14	22	24	17	17
(b) Other loans payable	1	1	15	24	25	44	4	3	2	1	8	8	1[illegible]
12. Accounts payable:													
(a) Income and other taxes payable													
(b) Amount due brokers and other payables	2	3	2	3	2	3	3	4	3	4	3	3	3
13. Long-term debt	32	32	32	32	33	31	31	30	30	29	29	29	28
14. Other liabilities	1	1	1	1	1	1	1	1	1	1	1	1	1
Shareholders' equity													
20. Paid-in capital	181	181	181	183	198	204	211	238	238	238	241	246	247
22. Retained earnings	170	178	186	192	199	212	218	219	221	229	237	240	241
Total liabilities and shareholders' equity	**406**	**421**	**418**	**437**	**463**	**497**	**474**	**503**	**509**	**524**	**542**	**544**	**549**

TABLE 5 A. Investment Portfolio at Market Value

	1963	1964				1965				1966			
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	millions of dollars												
1. Portfolio:													
(a) Investments in Canadian bonds:													
(i) Government of Canada debt	5	4	3	4	5	6	7	6	6	7	8	9	9
(ii) Provincial and municipal debt	1			1	1	1	1	1	1	1	1	1	1
(iii) Corporate bonds and debentures	17	18	14	8	10	10	10	10	9	10	10	9	12
(iv) Mortgages and agreements of sale									1	1	1	1	1
(v) Other Canadian investments							3	1		6	6	6	7
(b) Investments in Canadian shares:													
(i) Preferred shares	37	43	45	47	49	51	48	45	46	45	46	43	55
(ii) Common shares[1]	515	551	619	652	686	730	682	678	685	693	676	634	605
(c) Investments in foreign securities:													
(i) Bonds, debentures, mortgages, etc.							1	1	1	1	1	1	1
(ii) Preferred and common shares[1]	30	33	33	34	33	36	36	47	55	59	59	47	49
Total portfolio at market	**605**	**649**	**714**	**746**	**784**	**834**	**788**	**789**	**804**	**823**	**808**	**751**	**740**
2. **Total portfolio at cost** (Item 5, Table 5)	**395**	**411**	**410**	**421**	**446**	**464**	**455**	**461**	**484**	**500**	**509**	**520**	**523**
3. **Unrealized appreciation** (Item 1 minus Item 2)	**210**	**238**	**304**	**325**	**338**	**370**	**333**	**328**	**320**	**323**	**299**	**231**	**217**
TOTAL ASSETS AT MARKET PRICES (Item 8, Table 5 plus Item 3, Table 5 A)	**616**	**659**	**722**	**762**	**801**	**867**	**807**	**831**	**829**	**847**	**841**	**775**	**766**

[1] Includes investments in and advances to subsidiary and affiliated companies.

TABLE 6. Investment Dealers

Quarterly Estimates of Selected Balance Sheet Items

Selected items	1963 4Q	1964 1Q	1964 2Q	1964 3Q	1964 4Q	1965 1Q	1965 2Q	1965 3Q	1965 4Q	1966 1Q	1966 2Q	1966 3Q	1966 4Q
	millions of dollars												
1. Cash on hand and on deposit:													
(a) In Canadian dollars:													
(i) Cash and bank deposits[1]	12	10	16	21	23	28	49	68	109	33	22	7	9
(ii) Cash in other institutions } (b) In foreign currency	8	7	7	2	55	35	2	14	3	4	3	3	1
2. Securities owned or managed at book value:[2]													
(a) Investments in Canadian securities:													
(i) Chartered banks' certificates of deposits[3]										46	78	80	44
(ii) Short-term notes of finance companies[3]										41	42	41	50
(iii) Other short-term commercial paper[3]										147	188	160	179
(i)–(iii) combined	66	84	105	150	162	146	136	132	214				
(iv) Government of Canada treasury bills	187	105	115	116	126	78	117	75	39	75	22	30	12
(v) Other Government of Canada debt:													
(a) Term less than 3 years	149	99	120	160	60	84	78	82	30	– 10	28	44	71
(b) Term over 3 years	12	15	33	24	40	63	5	67	– 6	– 22	5	24	64
(vi) Provincial government debt	46	37	44	56	49	69	41	49	27	28	31	65	66
(vii) Municipal government debt	24	37	27	33	22	28	21	20	27	26	20	18	36
(viii) Corporation and institution bonds	52	42	38	38	49	50	53	45	53	43	53	39	46
(ix) Preferred and common shares[4]	13	24	20	17	25	27	28	17	24	17	18	18	23
(x) Other investments[4]					3	5	6	10	11				
(b) Investments in foreign securities	1	3	1	1	2	2	2	2	2	3	4	2	10
3. Loans and advances:													
(a) Short-term loans to subsidiary and affiliated companies	3	7	4	3	3	4	1	1	2	2	1		1
(b) Other short-term loans and advances receivable[5]	...	...	...	...	...	...	...	...	...	70	47	56	34
Total selected assets[6]	**573**	**470**	**531**	**621**	**619**	**619**	**540**	**582**	**534**	**501**	**563**	**587**	**647**
4. Bank loans:													
(a) Bank loans and overdrafts in Canadian currency										286	394	382	491
(b) Other bank loans[3]										14	21	18	28
(a)–(b) combined	373	221	267	318	335	295	326	402	374				
5. Short-term loans and notes payable:													
(a) Short-term loans from subsidiary and affiliated companies	11	8	7	9	10	7	6	12	13	16	14	15	11
(b) Other loans and notes, excluding buy-backs	184	196	229	240	243	300	207	183	152	182	136	172	105
Total selected liabilities	**567**	**426**	**503**	**567**	**588**	**602**	**539**	**597**	**538**	**498**	**566**	**587**	**635**
6. Total securities outstanding under buy-back agreements	**112**	**114**	**188**	**107**	**201**	**189**	**236**	**178**	**97**	**103**	**106**	**152**	**140**

[1] Prior to 1966 includes some chartered banks' certificates of deposits which are included from first quarter, 1966 in item 2 (a) (i).
[2] Net of short positions and excluding securities outstanding under buy-back agreements.
[3] Detail not available prior to 1966.
[4] Excluding investments in and loans and advances to subsidiary and affiliated companies.
[5] Not included among selected assets prior to 1966.
[6] Commencing 1966 includes item 3 (b).

CONTENT OF GROUPS

Trust Companies

This group includes all companies incorporated under the Trust Companies Act of Canada and corresponding provincial acts. Many of these companies are heavily engaged in mortgage lending as well as in the management of estate, trust and agency funds and other financial activities permitted under the federal and provincial trust companies acts.

The balance sheet data shown for this group includes both company funds (shareholders' equity) and guaranteed funds originating from deposits and the sale of certificates. Estate, trust and agency funds are not included.

Mortgage Loan Companies

This group consists of those companies which raise funds from the public (directly or through publicly owned parent companies) primarily for mortgage lending. It includes all companies incorporated under the Dominion Loan Companies Act, savings certificate companies and other institutional lenders engaged principally in mortgage lending. Privately financed mortgage companies are not included. They will be incorporated in one of the other financial groups to be published at a later date.

Sales Finance and Consumer Loan Companies

In general, sales finance companies are in the business of financing durable sales at the factory or wholesale levels and at the retail level. Consumer loan companies lend money to persons on the security of promissory notes with additional security frequently being provided by chattel mortgages on the goods purchased. Consumer loan companies include companies operating under the provisions of the Small Loans Act, and affiliated companies engaged in personal loans.

There is a close relationship between sales finance companies and consumer loan companies. Many carry out both sales financing and loan activities, while some engage primarily in one and have a wholly-owned subsidiary engaged in the other. Since consolidated returns are received from some of these companies, it was decided to include both sales finance and consumer loan companies in one table.

Sales finance companies which are wholly-owned subsidiaries of merchandising and manufacturing companies and finance only the sales of their parent company are not included in these tables. Also excluded are companies primarily engaged in loans to business, such as factoring companies and investment companies, and companies lending to home owners for home improvements. Insofar as possible, the companies in this group are the same as those covered in the DBS publication, *Credit Statistics*. The footnote to Table 3, and the definition in the text of the item "accounts and notes receivable" show the relationship between this item, as reported in *Credit Statistics* and in this publication.

Mutual Funds

This group includes those firms which have their major assets invested in a portfolio of various types of securities and in which the public may purchase any desired number of shares at a price fixed in relationship to net asset value, and redeem any number of shares held at net asset value. Because the number of outstanding shares constantly changes with purchases and redemptions of shares by each individual investor, the companies in this group are also referred to as open-end funds.

Included in this survey are those companies whose shares are available to the public through the companies' own salesmen or agents, or through stock brokers, trust companies or other managers of funds. Excluded are those funds set up to operate a pension plan, special non-resident owned funds, funds which invest only in the shares of other mutual funds, investment clubs, and other investment companies the shares of which are not available to the general public.

Closed-end Funds

The main difference between this group and the mutual funds is the fact that shares of closed-end companies are not redeemable by the company at net asset value. Share capital is set up as in an ordinary limited corporation. Once the shares have been offered to the public, the number of outstanding shares remains constant. Shares of such corporations may be purchased only from existing holders and owners of such shares must find a buyer if they wish to sell their shares. Such companies are called closed-end funds to distinguish them from the mutual funds or open-end funds.

Closed-end funds have a common feature with mutual funds in that their major assets consist of investments in securities. Investment policies and objectives of many of the closed-end funds are also similar to those of the mutual funds. However, when an investment corporation exists primarily to gain control and provide management it is excluded from the totals and will be included in another group. Because of the various degrees between these two objectives — investment or control — and also because objectives often change, it is difficult to precisely define this group. We have, therefore, closely followed the group of closed-end funds found in the Financial Post Survey of Investment Funds. The user of these data is warned however, that reclassification into or out of this industry of few companies could change drastically the published totals.

Investment Dealers

This group includes firms which act as principals in the underwriting and trading of securities. Stockbrokers and, where possible, the brokerage business of investment dealers are excluded. Where investment dealers do not maintain separate accounts for their brokerage business, total operations of the firm are included but the effect on the data is believed to be small.

Investment dealers do not report all balance sheet items, and total reported assets therefore do not equal total reported liabilities. Shareholders' equity, certain types of receivables and minor asset and liability items are not reported. The omission of these receivables is the largest single cause of difference between total reported assets and total reported liabilities.

DEFINITION OF ITEMS

Noted below are items where special problems of interpretation may exist.

A. Trust Companies and Mortgage Loan Companies

Item 3 – **Investments**

Investments are at book value. Part of these investments will be after deduction of investment reserves since some companies show investments before deduction of investment reserves and other companies show them net of reserves. The understatement of assets due to deduction of reserves will be very small however. Item 3(a - viii), collateral loans, consists largely of call loans and day-to-day loans to investment dealers. Item 3(c), foreign investments, consists largely of short-term securities such as United States treasury bills.

Item 11 – **Demand deposits and demand certificates**

This item contains those deposits and certificates which can be withdrawn or cashed on demand.

Item 12 – **Term deposits, guaranteed investment certificates, instalment certificates and debentures**

This item contains deposits which cannot be withdrawn without a waiting period, and certificates and debentures for which there is an agreement covering a specific period. The certificates and debentures can be for any number of years, with the most common term being from three to five years.

Item 21 – **General, investment and special reserves**

As stated above under investments, some companies include investment reserves in the reported total of general, investment and special reserves, while others deduct these reserves directly from the appropriate investment category. Although transfers from surplus to reserves may take place at any time there is a tendency for these transfers to be concentrated at the fiscal year-end, which accounts for the increase in this item in the fourth quarter.

Item 30 – **Net payables and retained income**

A number of companies do not make quarterly calculations of interest accrued on investments or on obligations. They are not therefore able to report these items, or to report their retained income which is dependent on these calculations. The total of assets, excluding receivables, is therefore obtained, and the balancing item on the liability side is net payables and retained income. Total assets are therefore understated by the amount of receivables, or by about one per cent.

B. Sales Finance and Consumer Loan Companies

Item 2 – **Accounts and notes receivable**

The questionnaire used in the survey requests only the total of accounts and notes receivable. The Dominion Bureau of Statistics publication, *Credit Statistics* contains more detail on these receivables and this information is given in the footnote to the table. Item (b) of the footnote, other receivables, is the difference between the receivables reported in the balance sheet survey and the receivables reported in *Credit Statistics*. A small part of this difference is due to the inclusion in consolidated returns of the receivables of subsidiaries engaged in other activities. Primarily however, it is made up of inventory financing, capital loans, other types of non-personal loans and sampling errors.

Item 11 – **Total liabilities to parent and associated companies**

Several of the larger consumer loan companies are owned by foreign parents or by Canadian incorporated sales finance companies, and an important part of their funds is supplied by loans from those parent companies. Since these loans are inter-company transactions they are eliminated when consolidated reports are filed. This item would therefore be larger if non-consolidated reports were received from all companies.

Item 13 – **Short-term loans and notes payable**

Demand and short-term notes represent an important source of funds to sales finance and consumer loan companies. They are sold, either directly or through investment dealers, to corporations, governments, foreign buyers and persons with short-term funds to invest, and are one of the major money-market instruments.

Item 15 – **Dealers' credit balances**

When an automobile dealer sells customers' paper to sales finance companies, under most agreements the dealer is liable for any default and the sales finance company customarily witholds part of the purchase price. This item represents the total amount so withheld.

Item 17 – **Unearned and deferred income and charges**

When loans are made it is customary to show under accounts and notes receivable the total which must be repaid, including all interest and other charges. The unearned portion of these charges is included in this item.

C. **Mutual Funds and Closed-end Funds**

Item 5 – **Investment Portfolio**

Investment in securities represents the major assets for these groups. There is a particular interest in the market value of the portfolio since the price of mutual fund shares depends directly on this value. The price of closed-end fund shares also has a close relationship to the market value of the portfolio. For this survey, therefore, the portfolio is shown at both cost price and market value.

Item 21 – **Paid-in capital**

Included in this item are all the contributions made by shareholders including share capital, capital or paid-in surplus, capital redemption reserves, etc.

Item 24 – **Unrealized appreciation**

This item is the difference between the value of the portfolio at market price and its cost price.

D. **Investment Dealers**

Item 1 – **Cash on hand and on deposit**

Included in this item are demand and term deposits with banks and other institutions. Short term notes of chartered banks and guaranteed investment certificates are also included, as are foreign currency and swapped deposits.

Item 2 – **Securities owned or managed by the firm**

The major assets of investment dealers are various types of securities. Since the accounting practices of investment dealers often differ from the practices of other types of firms in respect to security accounts, dealers are requested to report their securities in the following manner:

(1) Securities should be reported at book value.
(2) Securities outstanding under buy-back agreements should be excluded. This avoids duplication, since the owner of the securities is requested to report them.
(3) Securities held under sell-back agreements should be included. This follows the rule that the owner should report the securities.
(4) Short positions should be deducted from long positions.
(5) Securities sold on an "if, as and when" basis should be omitted.
(6) Borrowed securities should not be included in reported inventory.
(7) The accounting of security transactions may differ at any specific point in time, depending on which accounting basis is employed.
By using:

(a) **Trade date** - securities are entered on the accounts on the date that a buy or sell agreement or committment was made.
(b) **Value date** - securities are entered on the accounts on the date that settlement of the transactions was due.
(c) **Delivery date** - securities are entered on the accounts on the date that delivery of the securities took place.

Generally, value and delivery dates coincide. Since financial institutions usually use the delivered date for accounting purposes, investment dealers are requested to use delivery date as well for reporting inventories of securities to DBS in order to have the securities counted in the statistics.

Item 3 – **Short term loans and notes payable**

3(a) includes short term and day-to-day loans from chartered banks in Canadian currency. Loans from subsidiary and affiliated companies are reported in 3(b), and all other loans, excluding buy-backs, are reported in 3(c).

Item 4 – **Securities outstanding under buy-back agreements**

Investment dealers raise funds through buy-back (re-purchase) agreements with various financial institutions, non-financial corporations and government agencies. Dealers generally regard the transactions as loans, but since the other parties to this type of transaction treat the securities as owned, dealers have been requested to exclude buy-backs from borrowing and to exclude the underlying securities from inventory reported. The amount of securities outstanding under these buy-back agreements is reported in Item 4.

QUALITY AND COVERAGE OF THE ESTIMATES

As a result of full cooperation by the surveyed corporations and the relatively small number of companies in each of the published groups, coverage in terms of assets is very high for each of the groups in this publication. The estimates for all companies contained here will therefore contain relatively small sampling errors. There may be some errors in individual items due to differences in accounting practices of companies. A complete description of the procedures of estimation used will be given in a later publication.

Where available, the tables will carry figures for the thirteen most recent quarters. The figures are published in one million dollar amounts.

OTHER SOURCES OF FINANCIAL INFORMATION

Included among the more valuable sources of background information are:

Report of the Royal Commission on Banking and Finance, 1964

The Financing of Economic Activity in Canada, by Wm. C. Hood, for the Royal Commission on Canada's Economic Prospects

Additional financial statistics on the companies and industries included in this report are available in the following publications:

Report of the Superintendent of Insurance for Canada: Loan and Trust Companies (annual)

Report of the Superintendent of Insurance for Canada: Small Loan Companies and Money Lenders (annual)

Report of the Ontario Registrar of Loan and Trust Corporations (annual)

Summary of Financial Statements filed within the office of the Inspector of Trust Companies for the Province of Quebec (annual)

Department of National Revenue *Taxation Statistics* (annual)

Bank of Canada *Statistical Summary* (monthly)

Dominion Bureau of Statistics *Credit Statistics* (monthly)

Financial Post *Survey of Industrials* (annual)

Financial Post *Survey of Investment Funds* (annual)

BUSINESS FINANCIAL STATISTICS BALANCE SHEETS - Fourth Quarter 1966