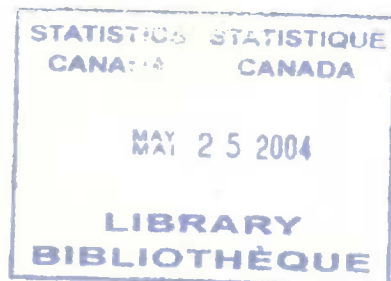


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BUSINESS FINANCIAL STATISTICS BALANCE SHEETS

Selected Financial Institutions

THIRD QUARTER 1967

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SYMBOLS

The following standard symbols are used in Dominion Bureau of Statistics publications:

- .. figures not available.
- ... figures not appropriate or not applicable.
- nil or zero.
- amount too small to be expressed.
- preliminary figures.
- † revised figures.

BUSINESS FINANCIAL STATISTICS

BALANCE SHEETS

Selected Financial Institutions

THIRD QUARTER 1967

The present publication contains selected financial statistics for trust companies, mortgage loan companies, sales finance and consumer loan companies, mutual funds, closed-end funds, investment dealers, and fire and casualty insurance companies. As information becomes available, the published tables will be expanded to include other 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

	1964		1965				1966				1967		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q ¹	1Q	2Q	3Q
	millions of dollars												
Assets													
1. Cash on hand and on deposit:													
(a) In Canadian dollars:													
(i) Cash and bank deposits	42	67	47	60	53	84	79	74	64	72	52	48	40
(ii) Cash in other institutions.....	3	6	4	3	3	7	2	3	5	3	5	4	4
2. Foreign currency	6	13	1	2	6	8	8	7	13	13	11	15	8
3. Investments:													
(a) Investments in Canadian securities:													
(i) Government of Canada treasury bills ...	5	16	12	10	5	12	13	7	4	16	13	7	12
(ii) Other Government of Canada debt	343	369	374	376	371	375	390	401	390	421	397	418	424
(iii) Provincial government debt	159	168	192	205	189	195	197	199	208	228	260	284	285
(iv) Municipal government debt	126	138	149	147	136	126	129	119	122	126	143	126	119
(v) Short-term notes of sales finance companies ²	236	183	366	394	292	208	332	300	316	130	161	115	119
(vi) Commercial paper of other companies ²										62	139	99	100
(vii) Deposit receipts, certificates and term deposits in chartered banks ² .....	...	...	...	...	...	...	...	...	...	72	62	71	135
(viii) Certificates, debentures and term deposits in trust and mortgage loan companies ² .....	...	...	...	...	...	...	...	...	...	18	26	18	16
(ix) Corporation bonds and debentures	203	198	201	226	235	219	254	259	258	240	276	290	297
(x) Collateral loans	106	102	161	104	106	108	109	107	128	119	129	110	114
(b) Mortgages and sales agreements:													
(i) Loans under National Housing Act ²	1,351	1,449	1,545	1,690	1,838	1,927	1,990	2,074	2,121	493	500	499	497
(ii) Conventional mortgage loans ²										1,672	1,699	1,766	1,848
(c) Investments in Canadian preferred and common shares	66	67	71	79	77	75	76	78	80	84	83	84	87
(d) Investments in foreign securities.....	4	6	7	7	7	5	6	7	11	13	18	18	15
(e) Investments in subsidiary and affiliated companies	14	18	19	18	20	19	22	25	31	30	33	33	33
4. Interest, dividends and rents receivable ³ .....	...	...	...	...	...	...	...	...	...	24	37	39	43
5. Real estate and equipment	41	43	44	45	46	46	48	49	47	46	48	52	54
6. Other assets	17	19	17	20	19	27	25	24	22	29	27	31	31
Total assets³	2,722	2,860	3,208	3,385	3,401	3,439	3,681	3,733	3,820	3,913	4,117	4,127	4,280
Liabilities													
11. Demand and savings deposits:													
(a) Chequing	479	505	519	568	551	551	546	563	561	557	570	576	576
(b) Non-chequing	486	543	556	584	563	564	577	562	543	537	536	548	558
12. Certificates, debentures and term deposits:													
Original term:													
(a) Less than one year ²	1,485	1,551	1,825	1,901	1,953	2,006	2,195	2,266	2,360	592	683	578	602
(b) One to six years ²										1,797	1,849	1,955	2,034
(c) Over six years ²										32	34	34	49
13. Bank loans:													
(a) Canadian chartered banks:													
(i) Canadian currency	9	2	5	10	11	4	7	10	5	3	6	3	4
(ii) Foreign currency ² .....	...	...	...	...	...	...	...	...	1	3	3	3	3
(b) Other bank loans ² .....	...	...	...	...	...	...	...	...	...	...	...	...	...
14. Short-term loans and notes payable.....	17	5	35	49	42	37	64	31	44	17	26	21	34
15. Owing parent and affiliated companies ²	4	4	6	3	4	3	3	3	3	7	7	9	11
16. Interest, dividends, taxes and other liabilities ³ ...										36	65	58	63
Shareholders' equity													
21. Paid-in capital	89	93	96	99	100	101	107	107	108	113	114	114	116
22. Investment reserves ²	127	135	137	145	147	153	154	160	160	67	71	73	74
23. Reserve fund ²										140	140	140	140
24. A. Net accruals, payables and retained earnings ³	26	21	28	25	31	20	27	31	35	—	—	—	—
B. Retained earnings ² .....	...	...	...	...	...	...	...	...	...	12	13	15	14
Total liabilities and shareholders' equity³	2,722	2,860	3,208	3,385	3,401	3,439	3,681	3,733	3,820	3,913	4,117	4,127	4,280

¹ 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.

² Detail not available prior to fourth quarter, 1966. Refer to notes on page 4.

³ 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.

TABLE 2. Mortgage Loan Companies
Quarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity

	1964		1965				1966				1967		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q ¹	1Q	2Q	3Q
	millions of dollars												
Assets													
1. Cash on hand and on deposit:													
(a) In Canadian dollars:													
(i) Cash and bank deposits	66	50	38	40	38	47	40	36	22	31	30	38	26
(ii) Cash in other institutions	9	13	8	8	5	7	10	5	5	1	2	3	5
2. Foreign currency							4	2					
3. Investments:													
(a) Investments in Canadian securities:													
(i) Government of Canada treasury bills....	7	3	3		4		8	4		7		6	
(ii) Other Government of Canada debt	118	117	129	121	109	117	119	119	110	118	102	121	125
(iii) Provincial government debt.....	41	42	44	47	45	39	46	46	45	44	55	52	50
(iv) Municipal government debt	9	11	10	10	10	10	10	10	10	10	10	10	11
(v) Short-term notes of sales finance companies ²	11	8	11	3	5	2	9	13	11	1	5	2	7
(vi) Commercial paper of other companies ²										1	12	21	8
(vii) Deposit receipts, certificates and term deposits in chartered banks ² .....	...	...	...	...	...	...	...	...	...	5	11	8	16
(viii) Certificates, debentures and term deposits in trust and mortgage loan companies ² .....	...	...	...	...	...	...	...	...	...	5	5	5	6
(ix) Corporation bonds and debentures.....	26	26	32	28	27	31	28	28	28	24	27	30	29
(x) Collateral loans	12	13	11	11	13	20	21	23	22	22	27	22	22
(b) Mortgages and sales agreements:													
(i) Loans under National Housing Act ²	1,410	1,492	1,593	1,693	1,796	1,827	1,845	1,881	1,931	1,127	1,132	1,131	1,133
(ii) Conventional mortgage loans ²										1,815	1,828	1,853	1,901
(c) Investments in Canadian preferred and common shares	55	56	54	60	57	55	55	55	56	58	61	68	68
(d) Investments in foreign securities.....	4	4	4	4	4	4	3	4	4	4	4	5	4
(e) Investments in subsidiary and affiliated companies.....	49	50	206 ⁴	203	199	201	199	196	195	194	194	191	190
4. Interest, dividends and rents receivable ³ .....	...	...	...	...	...	...	...	...	...	22	20	22	22
5. Real estate and equipment	41	42	44	44	49	50	52	55	56	59	60	60	62
6. Other assets	11	10	11	18	15	15	16	16	18	15	17	19	20
Total assets³	1,869	1,936	2,199	2,290	2,376	2,426	2,464	2,492	2,514	2,564	2,602	2,667	2,704
Liabilities													
11. Demand and savings deposits:													
(a) Chequing	150	155	151	157	155	162	149	166	162	165	168	173	169
(b) Non-chequing.....	155	166	183	187	198	203	203	198	210	208	207	208	213
12. Certificates, debentures and term deposits:													
Original term:													
(a) Less than one year ²	1,145	1,182	1,235	1,274	1,303	1,372	1,408	1,434	1,455	43	45	53	56
(b) One to six years ²										820	842	881	913
(c) Over six years ²										623	629	644	646
13. Bank loans:													
(a) Canadian chartered banks:													
(i) Canadian currency	19	25	29	44	63	60	55	58	49	56	49	40	50
(ii) Foreign currency ² .....	...	...	1	...	3	3	3	2	3	12	11	9	10
(b) Other bank loans ²										1	1	1	
14. Short-term loans and notes payable	108	108	120	137	151	125	138	136	128	95	83	87	69
15. Owing parent and affiliated companies ²	38	46	201 ⁴	201	202	207	202	199	196	188	194	197	200
16. Interest, dividends, taxes and other liabilities ³										58	71	64	65
Shareholders' equity													
21. Paid-in capital	101	107	116	120	120	123	121	122	122	122	123	129	130
22. Investment reserves ²	92	93	100	106	107	111	111	113	113	25	30	31	33
23. Reserve fund ²										97	98	99	99
24. A. Net accruals, payables and retained earnings ³	61	54	63	63	74	61	73	62	75	-	-	-	-
B. Retained earnings ² .....	...	...	...	...	...	...	...	...	...	52	51	52	53
Total liabilities and shareholders' equity³	1,869	1,936	2,199	2,290	2,376	2,426	2,464	2,492	2,514	2,564	2,602	2,667	2,704

¹ Prior to fourth quarter, 1966 a number of companies reported investments in securities after deducting investment reserves. Currently, investments are re-quested to be reported at original cost with investment reserves reported in item 22.

² Detail not available prior to fourth quarter, 1966. Refer to notes on page 4.

³ 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.

⁴ 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

	1964		1965				1966				1967		
	3Q	4Q	1Q	2Q ¹	3Q ¹	4Q ¹	1Q ¹	2Q ¹	3Q ¹	4Q ¹	1Q ¹	2Q ¹	3Q ¹
millions of dollars													
Assets													
1. Cash on hand and on deposit:													
(a) In Canadian dollars:													
(i) Cash and bank deposits	40	46	41	41	33	44	41	53	84	64	73	76	69
(ii) Cash in other institutions	4	2	11	1	1	1	40	1	1	2	3	2	3
(b) In foreign currency	14	14	14	14	24	12	13	13	23	44	36	34	37
2. Accounts and notes receivable*	3,080	3,200	3,361	3,594	3,521	3,738	3,648 ³	3,713 ⁴	3,576	3,706	3,693	3,788	3,725
3. Other current assets	8	10	8	8	8	12	9	9	10	7	9	9	10
4. Investments and advances:													
(a) Investments in Canadian securities:													
(i) Short-term notes of finance and other companies	7	1	10	10	11	4	22	5	32	11	34	10	14
(ii) Government of Canada treasury bills	13	3	11	17	12	1	10	2	2	1	7	1	1
(iii) Other Government of Canada debt	29	9	16	9	17	16	23	33	32	26	20	22	17
(iv) Other Canadian bonds and debentures	38	60	59	57	23	16	13	15	16	8	35	22	10
(v) Other Canadian investments	10	5	18	22	27	30	34	33	38	51	53	52	51
(b) Investments in Canadian preferred and common shares	23	14	9	11	11	9	9	9	10	8	9	9	7
(c) Investments in foreign securities		1	1	1	1	2	2	2	4	5	3	3	11
(d) Investments in subsidiary and affiliated companies	256	264	271	242	268	277	378 ⁵	382	387	391	387	361	297
5. Property, plant and equipment	31	32	34	34	37	39	31	34	35	36	37	37	37
6. Other assets	25	27	32	33	33	28	31	32	32	32	34	34	32
Total assets	3,579	3,686	3,895	4,096	4,028	4,228	4,293	4,345	4,282	4,391	4,428	4,467	4,322
Liabilities													
11. Owning parent and affiliated companies	453	452	491	620	605	686	732	719	743	794	811	815	751
12. Short-term bank loans:													
(a) Bank loans and overdrafts (Canadian dollars)	198	228	210	293	349	433	311	347	266	327	247	262	241
(b) Other bank loans	65	82	95	23	68	101	89	84	69	76	47	46	46
13. Short-term loans and notes payable:													
(a) Demand and short-term notes (Canadian dollars)	900	858	968	965	827	734	879	943	953	903	1,008	967	904
(b) Demand and short-term notes (foreign currency)	187	202	184	186	190	164	161	126	81	93	95	82	92
(c) Other short-term loans	1	2	1	2	2	13	1	1	1	1	2	1	1
14. Accounts payable:													
(a) Income and other taxes payable	26	22	25	16	19	18	16	19	22	22	21	20	24
(b) Other payables	65	65	73	86	57	95	90	103	84	100	102	106	64
15. Other current liabilities:													
(a) Dealers' credit balances	48	46	45	48	50	48	47	50	50	49	47	49	50
(b) Other current liabilities	6	6	6	6	5	5	5	6	6	6	6	10	7
16. Long-term debt:													
(a) Debentures, bonds and notes (Canadian dollars)	690	743	773	845	844	869	873	857	882	892	916	954	965
(b) Debentures, bonds and notes (foreign currency)	260	282	302	269	254	303	342	358	376	376	382	373	375
(c) Mortgages and other long-term debt	6	6	7	7	7	6	3	4	3	3	3	3	3
17. Other liabilities:													
(a) Unearned income and other deferred credits	213	217	218	230	238	245	239	257	265	267	259	280	295
(b) Pensions, trust or earmarked funds	1	1	1	1	1	1	1	1	2	2	1	2	1
Shareholders' equity													
21. Paid-in capital	276	288	302	308	314	331	328	344	349	354	352	359	356
22. Retained earnings	183	186	194	189	195	175	177	126 ⁶	133	125	129	138	145
Total liabilities and shareholder's equity	3,579	3,686	3,895	4,096	4,028	4,228	4,293	4,345	4,282	4,391	4,428	4,467	4,322
*Footnote:													
(a) Specified receivables: ⁷													
Sales finance companies:													
Consumer goods	1,038	1,035	1,022	1,091	1,124	1,131	1,128	1,190	1,225	1,212	1,166	1,205	1,183
Commercial and industrial goods	584	588	588	643	673	665	642	676	678	662	633	658	658
Wholesale goods	251	268	381	421	274	452	478	477	264	393	434	410	292
Totals	1,873	1,891	1,991	2,155	2,071	2,248	2,248	2,343	2,167	2,267	2,233	2,273	2,133
Consumer loan companies:													
Installment credit	52	54	57	63	65	67	67	70	72	74	71	72	73
Cash loans	814	850	872	919	940	976	991	1,035	1,063	1,096	1,101	1,151	1,173
Totals	866	904	929	982	1,005	1,043	1,058	1,105	1,135	1,170	1,172	1,223	1,246
(b) Other receivables ⁸	390	455	494	513	505	512	406 ³	333 ⁴	343	340	358	364	418
Total receivables	3,129	3,250	3,414	3,650	3,581	3,803	3,712	3,781	3,645	3,777	3,763	3,860	3,797
Allowance for bad debts	- 49	- 50	- 53	- 56	- 60	- 65	- 64	- 68	- 69	- 71	- 70	- 72	- 73
Total receivables (net)	3,080	3,200	3,361	3,594	3,521	3,738	3,648	3,713	3,576	3,706	3,693	3,788	3,725

¹ Includes outstanding liabilities in default of one company which went into receivership.

² Reflects the reorganization of a company with its U.S. parent.

³ These items have been affected in this quarter by the deconsolidation of statements submitted by several companies.

⁴ These items have been affected in this quarter by the write-downs of receivables held by companies in receivership.

⁵ Detail of "Specified receivables" is taken from DBS publication, *Credit Statistics* (Catalogue No. 61-004).

⁶ "Other receivables" includes capital loans, other non-personal loans, receivables of subsidiaries engaged in other activities and sampling errors.

⁷ Data in this quarter have been affected by the consolidation of statements submitted by several companies.

TABLE 4. Mutual Funds
Quarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity

	1967		1965				1966				1967		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
millions of dollars													
Assets													
1. Cash on hand and on deposit:													
(a) Canadian dollars:													
(i) Cash and bank deposits	17	18	24	23	25	32	42	43	40	40	43	54	58
(ii) Cash in other institutions	2	4	3	5	7	9	12	7	7	15	12	5	9
(b) Foreign currency	2	2	1	2	4	5	10	6	6	3	11	4	9
2. Short-term notes and bills:													
(a) Government of Canada treasury bills	4	2	3	3	2	2	2	3	3	3	2	3	2
(b) Canadian short-term notes of finance and other companies	39	41	48	33	38	31	44	35	27	38	31	45	56
(c) Foreign short-term notes	3	1	3	1	2	1	1	1	3	1	1	1	1
3. Interest and dividends due and accrued	6	7	7	8	9	9	9	9	9	10	9	9	9
4. Amount due from brokers and other current assets	10	7	14	12	10	15	20	22	19	10	45	46	31
5. Portfolio at cost (see also Table 4 A):													
(a) Investments in Canadian bonds:													
(i) Government of Canada debt	72	78	77	63	68	70	69	62	62	76	68	53	41
(ii) Provincial and municipal debt	34	47	59	58	55	58	51	49	47	50	48	50	40
(iii) Corporate bonds and debentures	44	48	59	64	65	67	67	67	66	67	74	69	68
(iv) Mortgages and agreements of sale	10	12	13	13	13	13	13	13	12	12	12	12	11
(v) Other Canadian investments	5	9	14	10	19	25	23	15	19	15	3	1	11
(b) Investments in Canadian shares:													
(i) Preferred shares	71	74	81	91	107	110	120	137	140	128	121	118	114
(ii) Common shares	587	635	693	755	772	808	830	858	874	864	881	892	876
(c) Investments in foreign securities:													
(i) Bonds, debentures, mortgages, etc.	4	5	5	4	4	4	9	8	12	10	6	10	18
(ii) Preferred and common shares	177	186	208	245	276	316	366	465	509	545	597	664	767
Total portfolio at cost	1,004	1,094	1,209	1,303	1,379	1,471	1,548	1,674	1,741	1,767	1,810	1,869	1,946
6. Property, buildings and equipment													
7. Other assets										1			
8. Total assets at cost	1,085	1,178	1,313	1,390	1,476	1,574	1,688	1,799	1,855	1,889	1,964	2,035	2,121
Liabilities													
1. Short-term loans:													
(a) Bank loans in Canadian currency	1	1	1	1	1		1	1	1		1		
(b) Other loans payable	1			1	1						1		1
2. Accounts payable:													
(a) Income and other taxes payable	1	1	1	1	1	1	1	2	2	2	2	2	2
(b) Amount due brokers and other payables	11	10	27	20	12	9	18	27	22	15	30	38	32
13. Long-term debt	1	1	1	1	1	1						1	1
14. Other liabilities	1			1	1			1		1			1
Shareholders' equity													
20. Paid-in capital	980	1,072	1,178	1,244	1,333	1,423	1,515	1,597	1,653	1,702	1,735	1,754	1,816
22. Retained earnings	90	92	104	123	126	139	153	171	176	167	196	238	267
Total liabilities and shareholders' equity	1,085	1,178	1,313	1,390	1,476	1,574	1,688	1,799	1,855	1,889	1,964	2,035	2,121

TABLE 4 A. Investment Portfolio at Market Value

	1964		1965				1966				1967		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
millions of dollars													
1. Portfolio:													
(a) Investments in Canadian bonds:													
(i) Government of Canada debt	72	78	77	63	68	69	68	61	61	75	68	52	39
(ii) Provincial and municipal debt	34	47	59	58	54	56	50	48	44	46	46	46	37
(iii) Corporate bonds and debentures	44	49	60	64	64	65	66	66	63	64	70	66	64
(iv) Mortgages and agreements of sale	10	12	13	13	13	13	13	13	12	12	12	11	11
(v) Other Canadian investments	5	9	14	10	19	25	23	15	19	15	6	1	11
(b) Investments in Canadian shares:													
(i) Preferred shares	75	78	84	92	106	108	116	132	128	114	114	111	106
(ii) Common shares	853	909	1,005	1,009	1,047	1,088	1,093	1,084	977	1,003	1,133	1,153	1,176
(c) Investments in foreign securities:													
(i) Bonds, debentures, mortgages, etc.	4	5	5	4	3	3	9	7	11	10	6	10	20
(ii) Preferred and common shares	226	236	265	287	348	419	484	554	509	608	747	840	967
Total portfolio at market	1,323	1,423	1,582	1,600	1,722	1,846	1,922	1,980	1,824	1,947	2,202	2,290	2,431
2. Total portfolio at cost (Item 5 - Table 4)	1,004	1,094	1,209	1,303	1,379	1,471	1,548	1,674	1,741	1,767	1,810	1,869	1,946
3. Unrealized appreciation (Item 1 minus Item 2)	319	329	373	297	343	375	374	306	83	180	392	421	485
TOTAL ASSETS AT MARKET PRICES (Item 8, Table 4 plus Item 3, Table 4 A)	1,404	1,507	1,686	1,687	1,819	1,949	2,062	2,105	1,938	2,069	2,356	2,456	2,606

TABLE 5. Closed-end Funds
Quarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity

	1964		1965				1966				1967		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
millions of dollars													
Assets													
1. Cash on hand and on deposit:													
(a) Canadian dollars:													
(i) Cash and bank deposits	1	2	2	2	2	5	5	2	1	3	3	3	3
(ii) Cash in other institutions	3	2	3	2	2	3	2			5	1	2	1
(b) Foreign currency							1				1	1	
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	6	6	21	9	30	12	8	28	18	13	15	9	7
(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	2	2	1	1	1	2	1	2	1	2	2	1
5. Portfolio at cost (see also Table 5 A):													
(a) Investments in Canadian bonds:													
(i) Government of Canada debt	4	5	6	7	6	6	7	8	10	9	8	7	7
(ii) Provincial and municipal debt	1	1	1	1	1	1	1	1	1	1	1	1	1
(iii) Corporate bonds and debentures	8	10	9	10	10	9	10	10	9	13	8	8	7
(iv) Mortgages and agreements of sale				1		1	1	1	1	1	1	1	1
(v) Other Canadian investments				3	1		6	6	6	7	6	4	4
(b) Investments in Canadian shares:													
(i) Preferred shares	33	35	35	33	34	36	34	38	36	41	42	46	46
(ii) Common shares ¹	349	369	385	368	372	393	403	406	419	413	418	435	440
(c) Investments in foreign securities:													
(i) Bonds, debentures, mortgages, etc.				1	1	1	1	1	1	1	1	1	1
(ii) Preferred and common shares ¹	26	26	28	31	36	37	37	38	37	37	39	42	43
Total portfolio at cost	421	446	464	455	461	484	500	509	520	523	524	545	550
6. Property, buildings and equipment											1	1	1
7. Other assets	1	2	2	2	4	2	2	2	2	2	2	3	3
8. Total assets at cost	437	463	497	474	503	509	524	542	544	549	549	566	567
Liabilities													
11. Short-term loans:													
(a) Bank loans in Canadian currency	2	5	1	6	6	14	22	24	17	17	11	15	14
(b) Other loans payable	24	25	44	4	3	2	1	8	8	12	15	15	16
12. Accounts payable:													
(a) Income and other taxes payable													
(b) Amount due brokers and other payables	3	2	3	3	4	3	4	3	3	3	44	4	4
13. Long-term debt	32	33	31	31	30	30	29	29	29	28	29	29	24
14. Other liabilities	1	1	1	1	1	1	1	1	1	1	1		
Shareholders' equity													
20. Paid-in capital	183	198	204	211	238	238	238	241	246	247	246	254	251
22. Retained earnings	192	199	212	218	219	221	229	237	240	241	241	249	255
Total liabilities and shareholders' equity	437	463	497	474	503	509	524	542	544	549	549	566	567

TABLE 5 A. Investment Portfolio at Market Value

	1964		1965				1966				1967		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
millions of dollars													
1. Portfolio:													
(a) Investments in Canadian bonds:													
(i) Government of Canada debt	4	5	6	7	6	6	7	8	9	9	8	7	7
(ii) Provincial and municipal debt	1	1	1	1	1	1	1	1	1	1	1	1	1
(iii) Corporate bonds and debentures	8	10	10	10	10	9	10	10	9	12	8	7	7
(iv) Mortgages and agreements of sale						1	1	1	1	1	1	1	1
(v) Other Canadian investments				3	1		6	6	6	7	6	4	4
(b) Investments in Canadian shares:													
(i) Preferred shares	47	49	51	48	45	46	45	46	43	55	60	62	59
(ii) Common shares ¹	652	686	730	682	678	685	693	676	634	605	668	661	671
(c) Investments in foreign securities:													
(i) Bonds, debentures, mortgages, etc.				1	1	1	1	1	1	1	1	1	1
(ii) Preferred and common shares ¹	34	33	36	36	47	55	59	59	47	49	60	61	67
Total portfolio at market	746	784	834	788	789	804	823	808	751	740	813	805	818
2. Total portfolio at cost (Item 5, Table 5)	421	446	464	455	461	484	500	509	520	523	524	545	550
3. Unrealized appreciation (Item 1 minus Item 2)	325	338	370	333	328	320	323	299	231	217	289	260	268
TOTAL ASSETS AT MARKET PRICES (Item 8, Table 5 plus Item 3, Table 5 A)	762	801	867	807	831	829	847	841	775	766	838	826	835

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

TABLE 6. Investment Dealers
Quarterly Estimates of Selected Balance Sheet Items

	1964		1965				1966				1967		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
millions of dollars													
Selected items													
1. Cash on hand and on deposit:													
(a) In Canadian dollars:													
(i) Cash and bank deposits ¹	21	23	28	49	68	109	33	22	7	9	14	12	31
(ii) Cash in other institutions	2	55	35	2	14	3	4	3	3	1	1	6	2
(b) In foreign currency													
2. Securities owned or managed at book value: ²													
(a) Investments in Canadian securities:													
(i) Chartered banks' certificates of deposits ³	150	162	146	136	132	214	46	78	80	44	61	33	73
(ii) Short-term notes of finance companies ³							41	42	41	50	94	56	64
(iii) Other short-term commercial paper ³							147	188	160	179	205	225	224
(iv) Government of Canada treasury bills	116	126	78	117	75	39	75	22	30	12	60	44	20
(v) Other Government of Canada debt:													
(a) Term less than 3 years	160	60	84	78	82	30	- 10	28	44	71	90	81	86
(b) Term over 3 years	24	40	63	5	67	- 6	- 22	5	24	64	66	17	10
(vi) Provincial government debt	56	49	69	41	49	27	28	31	65	66	90	96	58
(vii) Municipal government debt	33	22	28	21	20	27	26	20	18	36	41	28	22
(viii) Corporation and institution bonds	38	49	50	53	45	53	43	53	39	46	43	58	42
(ix) Preferred and common shares ⁴	17	25	27	28	17	24	17	18	18	23	19	15	17
(x) Other investments ⁴		3	5	6	10	11					1	1	
(b) Investments in foreign securities	1	2	2	2	2	2	3	4	2	10	3	6	6
3. Loans and advances:													
(a) Short-term loans to subsidiary and affiliated companies	3	3	4	1	1	2	2	1		1	2	1	2
(b) Other short-term loans and advances receivable ⁵ .....	...	...	...	...	...	...	70	47	56	34	37	48	76
Total selected assets⁶	621	619	619	540	582	534	501	563	587	647	828	727	733
4. Bank loans:													
(a) Bank loans and overdrafts in Canadian currency	318	335	295	326	402	374	286	394	382	464	545	512	537
(b) Other bank loans ³							14	21	18	28	22	26	33
5. Short-term loans and notes payable:													
(a) Short-term loans from subsidiary and affiliated companies	9	10	7	6	12	13	16	14	15	11	12	8	8
(b) Other loans and notes, excluding buy-backs	240	243	300	207	183	152	182	136	172	132	225	179	166
Total selected liabilities	567	588	602	539	597	538	498	566	587	635	803	725	744
6. Total securities outstanding under buy-back agreements	107	201	189	236	178	97	103	106	152	140	109	131	110

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).

TABLE 7. Fire and Casualty Insurance Companies
Quarterly Estimates of Underwriting account, Investment Account, and Balance Sheet

	1966				1967		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
millions of dollars							
Underwriting Account							
Revenue:							
1. Net premiums written	274	343	298	316	296	377	348
2. Net premiums earned	271	291	291	319	301	322	333
Claims and expenses:							
3. Net claims incurred	169	145	171	212	176	165	211
4. All other expenses	101	118	110	119	116	127	98
5. Total claims and expenses	270	262	282	332	292	292	309
Underwriting gain (loss)	1	29	9	-13	9	30	24
Investment Account							
Investment income:							
6. (a) Cash dividends:							
(i) Companies in Canada	3	3	2	4	3	3	5
(ii) Companies outside Canada	13	17	15	20	16	18	17
(b) Other investment income	1		1	1		1	
7. Net capital gains	1		1	1		1	
8. Total investment income	16	20	19	25	19	22	22
Investment expenses:							
9. All investment expenses	2		1	1	1	1	
Net investment income	14	20	18	24	18	21	22
Assets¹							
1. Demand deposits							
(a) In chartered banks	57	67	81	86	56	69	83
(b) In other institutions	16	18	19	17	17	14	10
2. Foreign currency	3	1	2	1			
3. Investments:							
(a) Investments in Canadian securities:							
(i) Canada treasury bills	11	12	16	23	18	14	18
(ii) Government of Canada	465	487	504	487	478	475	462
(iii) Provincials	320	332	340	365	383	398	432
(iv) Municipals	117	118	125	127	130	134	137
(v) Sales finance paper ²	27	28	34	30	17	15	9
(vi) Commercial paper ²							14
(vii) Term deposits in chartered banks ²							23
(viii) Term deposits with trust and mortgage companies ²							14
(ix) Corporate bonds and debentures	200	211	225	232	256	274	266
(x) Collateral loans		1	1		2	1	1
(b) Mortgages	17	18	18	18	19	19	20
(c) Preferred and common shares	208	224	241	259	273	290	300
(d) Investments in and advances to subsidiaries ²							2
(e) Investments in foreign securities	92	92	94	98	99	102	85
4. Real estate	38	35	36	39	40	40	40
5. Amounts due from: (a) Other insurance companies ²							30
(b) Agents and uncollected premiums ²							229
6. Deposits with reinsurers	11	9	9	11	11	12	5
7. All other assets	244	291	273	260	279	316	52
9. Total assets	1,826	1,943	2,018	2,053	2,076	2,173	2,250
Liabilities^{1,2}							
11. Unearned premiums							731
14. Provision for unpaid claims							622
15. Amounts due to: (a) Other insurance companies							28
(b) Agents and return premiums payable							3
16. Taxes due and accrued							30
17. Deposits by reinsurers							23
19. All other liabilities							38
Shareholders' equity and head office accounts							
21. Paid-in capital							72
22. Reserves:							
(a) Investment, contingency and general reserves							30
(b) Additional policy reserves							28
(c) Fidelity insurance reserve							7
23. Retained earnings							261
24. Head office accounts							376
25. Total liabilities, equity and head office accounts							2,250

¹ Amounts are stated at book values, and include all assets in respect of business in Canada. Out-of-Canada assets, liabilities, and retained earnings of Canadian companies have been omitted where possible.

² Detail not available prior to third quarter 1967.

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. Stock-brokers 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.

Fire and Casualty Insurance Companies

Included in this group are fire and casualty insurance companies, including Canadian reinsurance companies, operating in Canada under the Canadian and British Insurance Companies Act, the

Foreign Insurance Companies Act, and corresponding provincial legislation. Accident and Sickness Branches of life insurance companies are not included, nor are the numerous but very small local or parish mutual companies.

It should be noted that the quarterly figures are not directly comparable to annual data as reported by the Department of Insurance and several other published sources. There are three significant differences, and these are as follows:

(1) quarterly underwriting data are reported net of all reinsurance, whether licensed or unlicensed; for annual statement purposes, data for British and Foreign companies are reported net of licensed or registered reinsurance only;

(2) in the quarterly survey, earned and unearned premiums may be reported on either an 80% or 100% basis, whereas for annual statement purposes an 80% reserve is generally used;

(3) companies in the quarterly survey are requested to report assets at book values, while annual data for British and Foreign companies are reported at market values as determined by the Department of Insurance.

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. Prior to fourth quarter, 1966, part of these investments are shown after deduction of investment reserves, since some companies reported investments before deduction of investment reserves and other companies reported them net of reserves. Item 3(a)(x), collateral loans, consists largely of call loans and day-to-day loans to investment dealers. Item 3(d), 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 22 - Investment reserves

As stated under item 3 - investments, prior to fourth quarter, 1966, some companies included investment reserves in the reported total of general, investment and special reserves, while others deducted 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 24 A - Net Accruals, payables and retained earnings

Prior to fourth quarter, 1966, a number of companies did not make quarterly calculations of interest accrued on investments or on obligations. They therefore were not able to report these items, or to report their retained income, which is dependent on these calculations. The total of assets, excluding receivables, is obtained and the balancing item on the liability side is net accruals, payables and retained earnings. Total assets are therefore understated by the amount of receivables.

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(a) - 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 withholds part of the purchase price. This item represents the total amount so withheld.

Item 17(a) - Unearned income and other deferred credits

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 20 - 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 3 - 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 commitment 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.

Items 4 and 5 - Short-term loans and notes payable

4(a) includes short-term and day-to-day loans from chartered banks in Canadian currency. Loans from subsidiary and affiliated companies are reported in 5(a), and all other loans, excluding buy-backs, are reported in 5(b).

Item 6 - 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 6

E. Fire and Casualty Insurance Companies

Underwriting account: All items in this account

are reported net of all reinsurance ceded, whether licensed or unlicensed.

Item 2 - Net premiums earned

Net premiums earned and unearned premiums may be reported either using an 80% or 100% basis for calculating reserves.

Assets: All companies, including British and Foreign companies, are requested to report assets at book values. The data include all assets related to the companies' business in Canada. Out-of-Canada assets of Canadian companies are excluded where possible.

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)

Report of the Superintendent of Insurance for Canada: Volume I, *Abstract of Statements of Insurance Companies in Canada* (annual), and Volume II, *Annual Statements - Fire and Casualty Insurance* (annual).

Canadian Underwriter Statistical Review (annual).

