



Canada Deposit
Insurance Corporation

Société d'assurance-dépôts
du Canada

Annual Report

Year Ended December 31, 1982

Canada



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March 30, 1983

The Honourable Paul Cosgrove, P.C., M.P.,
Minister of State for Finance,
House of Commons,
Ottawa, Ontario.

Dear Mr. Cosgrove:

I have the honour to submit to you the Annual Report of the
Canada Deposit Insurance Corporation for the fiscal year ended
December 31, 1982.

Yours very truly,

Robert De Coster, O.C., M.S.C., C.A.,
Chairman.

Canada

ANNUAL REPORT

Year Ended December 31, 1982

The Canada Deposit Insurance Corporation was established in 1967 by the Canada Deposit Insurance Corporation Act (Chapter 3 of the Revised Statutes of Canada, 1970, as amended). The main object of the Corporation is to provide, for the benefit of persons having deposits with member institutions, insurance against the loss of part or all of such deposits.

The Act provides that the Corporation may, with the approval of Governor in Council, make by-laws relating to the administration of the affairs of the Corporation and the Canada Deposit Insurance Corporation General By-law (Chapter 383 of the Consolidated Regulations of Canada, as amended) was made pursuant to that authority. Office consolidations of the Act and General By-law are available from the Corporation upon request.

For the year ended December 31, 1982, the Corporation's excess of income over expenditures, before taxes, was \$24.9 million as shown in the financial statements. A net amount of \$12.9 million, after providing for income tax, was credited to the Accumulated Net Earnings.

The deposits with member institutions insured by the Corporation totalled \$118 billion as at December 31, 1982, which comprised \$109 billion in federal institutions and \$9 billion in provincial institutions. Premiums payable by member institutions for the year totalled \$14.6 million. The Deposit Insurance Fund totalled \$181.9 million at year end.

The Deposit Insurance Fund, including the Accumulated Net Earnings, totalled \$253.1 million representing an increase over the previous year of \$27.4 million.

The Astra Trust Company was placed in liquidation effective July, 1980 and the Corporation thereupon took immediate steps to discharge its obligations to the insured depositors by arranging with the liquidator to make the payments of all the insured deposits. By such action, the Corporation is subrogated to the rights and

interests of the depositors against the Astra Trust Company. At the year end, 1981, the Corporation had claims against the Company totalling \$18.3 million after a provision for loss of \$3.2 million had been made. Recoveries during the year totalled \$17.0 million and at year end, 1982, the Corporation had claims outstanding in the amount of \$1.3 million (Note 7). Subsequent to the year end, the Corporation recovered a further \$632 thousand in respect of these claims.

As at December 31, 1981 there were loans outstanding to the Quebec Deposit Insurance Board totalling \$30 million. On June 11, 1982 all advances were repaid in full with interest, in accordance with the Agreement (Note 5).

Under the terms of the Act and on behalf of the Corporation, the Superintendent of Insurance examined the affairs of the federally incorporated Trust Companies and Loan Companies, numbering 66, and the Inspector General of Banks examined the affairs of the Banks, numbering 67. Provincial institutions, numbering 53, were examined, on behalf of the Corporation, by persons designated by the Corporation for that purpose.

Subsequent to the year end, January, 1983, five member institutions were placed under the control of regulatory authorities. The Corporation is providing funds to two of the members in the form of fully secured loans in order that their obligations to depositors can be met as they arise. In February 1983, in accordance with section 11 (a) of the Act, the Corporation entered into an agreement to make loans and also to guarantee loans made by a member institution, to one of the five members which has been encountering difficulties in meeting its liabilities as they become due. Any such loans, both direct and under the guarantee, outstanding at the end of the five years are repayable at that time. The Corporation cannot determine, at this time, the losses that will be incurred relative to these five companies but it is expected that the losses will be significant.

BOARD OF DIRECTORS

The terms of the Act provide that the Board shall consist of five (5) directors, one of whom is Chairman. The Chairman is appointed by Governor in Council and the four (4) members are to be the persons holding the respective offices of the Governor of the Bank of Canada, the Deputy Minister of Finance, the Superintendent of Insurance and the Inspector General of Banks. However, a director may, with the approval of the Minister, designate, in writing, an alternate to attend in his absence any meeting of the Board.

Members of the Board as at December 31, 1982:

Messrs. John F. Close,	Chairman
G.K. Bouey,	Governor of the Bank of Canada
M.A. Cohen,	Deputy Minister of Finance
R. Hammond,	Superintendent of Insurance
W.A. Kennett,	Inspector General of Banks

The appointment of Mr. John F. Close as Chairman of the Board of Directors expired in February, 1983 and Mr. Robert De Coster was appointed to succeed him. The Board wishes to express sincere appreciation to Mr. Close for his advice and guidance during his term as Chairman.

Mr. R. Humphrys retired from the position of Superintendent of Insurance in April, 1982. Mr. Humphrys was a member of the Board since the inception of the Corporation in 1967 and the Corporation is indeed indebted to Mr. Humphrys for his contributions to its creation and development.

Mr. T.J. Davis is the Secretary-Treasurer of the Corporation.



AUDITOR GENERAL OF CANADA

VÉRIFICATEUR GÉNÉRAL DU CANADA

AUDITOR'S REPORT

The Honourable Marc Lalonde, P.C., M.P.
Minister of Finance

I have examined the balance sheet of the Canada Deposit Insurance Corporation as at December 31, 1982 and the statements of earnings and accumulated net earnings and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements give a true and fair view of the financial position of the Corporation as at December 31, 1982 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting policies set out in Note 2 to the financial statements applied on a basis consistent with that of the preceding year.

I further report that, in my opinion, proper books of account have been kept by the Corporation, the financial statements are in agreement therewith and the transactions that have come under my notice have been within its statutory powers.

Kenneth M. Dye, F.C.A.
Auditor General of Canada

Ottawa, Ontario
February 22, 1983

CANADA DEPOSIT INSURANCE CORPORATION
(Established by the Canada Deposit Insurance Corporation Act)

Balance Sheet
as at December 31, 1982

(in thousands of dollars)

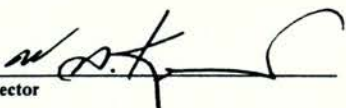
<u>ASSETS</u>			<u>LIABILITIES</u>		
	<u>1982</u>	<u>1981</u>		<u>1982</u>	<u>1981</u>
Cash and cash equivalents (Note 3)	\$ 132,613	\$ 82,715	Accounts payable	\$ 501	\$ 491
Premiums and other accounts receivable	1,285	4,925	Income taxes payable	20	4,011
Accrued interest	3,414	6,986	Deferred income taxes	1,798	2,381
Loans				<u>2,319</u>	<u>6,883</u>
Member institution (Note 4)	50,000	—			
Quebec Deposit Insurance Board (Note 5)	—	30,000			
Investments (Note 6)	66,751	89,552			
Claims re insured deposits (Note 7)	1,351	18,332			
Furniture, equipment and leasehold improvements	34	42			
	<u> </u>	<u> </u>			
	\$ 255,448	\$ 232,552			
	<u> </u>	<u> </u>			

<u>DEPOSIT INSURANCE FUND</u>		
Premiums		
Balance, beginning of the year	167,318	147,550
Premiums for the year	14,575	19,768
Balance, end of the year	181,893	167,318
Accumulated net earnings	71,236	58,351
	<u>253,129</u>	<u>225,669</u>
	\$ 255,448	\$ 232,552
	<u> </u>	<u> </u>

Approved by the Board:



Chairman



Director

CANADA DEPOSIT INSURANCE CORPORATION

Statement of Earnings and Accumulated Net Earnings for the year ended December 31, 1982

(in thousands of dollars)

	<u>1982</u>	<u>1981</u>
Interest income		
Treasury bills	\$ 14,105	\$ 13,615
Canada bonds	5,698	8,410
Loans	4,125	2,772
Mortgages	1,715	854
Other	260	669
	<u>25,903</u>	<u>26,320</u>
Expenses		
Inspection and other fees	514	406
Salaries and employee benefits	195	155
General, administrative and other	272	170
	<u>981</u>	<u>731</u>
Earnings before income taxes	<u>24,922</u>	<u>25,589</u>
Income taxes		
Current	12,620	12,651
Deferred	(583)	(286)
	<u>12,037</u>	<u>12,365</u>
Net earnings for the year	12,885	13,224
Accumulated net earnings, beginning of the year	58,351	48,327
Provision for loss - Astra Trust Company	<u>—</u>	<u>(3,200)</u>
Accumulated net earnings, end of the year	<u>\$ 71,236</u>	<u>\$ 58,351</u>

CANADA DEPOSIT INSURANCE CORPORATION

Statement of Changes in Financial Position for the year ended December 31, 1982 (in thousands of dollars)

	<u>1982</u>	<u>1981</u>
Source of funds		
Operations		
Net earnings for the year	\$ 12,885	\$ 13,224
Items not affecting funds		
Deferred income taxes	(583)	(286)
Net amortization of premiums and discounts	(139)	(190)
Depreciation and amortization	14	15
	<u>12,177</u>	<u>12,763</u>
Decrease in premiums and other accounts receivable	3,640	838
Decrease in accrued interest	3,572	—
Repayment of loans - Astra Trust Company	—	8,400
Repayment of loan - Quebec Deposit Insurance Board	30,000	—
Decrease in investment in Canada bonds	30,000	10,000
Recoveries re insured deposits	16,981	260
Increase in accounts payable	10	—
Increase in income taxes payable	—	3,384
Premiums for the year	14,575	19,768
Realization of assets acquired from former member institutions	474	336
	<u>111,429</u>	<u>55,749</u>
Application of funds		
Increase in accrued interest	—	3,711
Loan to member institution	50,000	—
Loans to Quebec Deposit Insurance Board	—	30,000
Mortgages acquired from Astra Trust Company	7,534	5,725
Purchase of furniture and equipment	6	15
Decrease in accounts payable	—	491
Decrease in income taxes payable	3,991	—
	<u>61,531</u>	<u>39,942</u>
Increase in cash and cash equivalents	49,898	15,807
Cash and cash equivalents, beginning of the year	<u>82,715</u>	<u>66,908</u>
Cash and cash equivalents, end of the year	<u>\$132,613</u>	<u>\$ 82,715</u>

CANADA DEPOSIT INSURANCE CORPORATION

Notes to Financial Statements December 31, 1982

1. Authority and objective

The Canada Deposit Insurance Corporation (CDIC) was established in 1967 by the Canada Deposit Insurance Corporation Act (the Act) (R.S.C. 1970, c. C-3 as amended). The Corporation is, for all purposes of this Act, an agent of Her Majesty and all property acquired by the Corporation is the property of Her Majesty.

The Corporation's principal objective is to provide insurance on deposits with federal member institutions (banks, trust and loan companies) and with provincial member institutions (trust and loan companies) up to \$20,000 per depositor per institution.

On January 19, 1983 a bill received first reading that would increase the deposit insurance limit to \$60,000 retroactive to January 17, 1983 and increase the Corporation's authority to borrow from the Consolidated Revenue Fund from \$500 million to \$1.5 billion.

2. Significant accounting policies

(a) Investments

Bonds, debentures and mortgages are recorded at cost. The cost of bonds and debentures is adjusted for the amortization of discounts and premiums.

(b) Claims re insured deposits

The Corporation's claims re insured deposits represent the total payments made by the Corporation for insured deposits less recoveries and provisions for losses. Provisions for losses are recorded in the year in which the eventual losses can be reasonably estimated. Such provisions are recorded as a direct charge against accumulated net earnings.

(c) Furniture, equipment and leasehold improvements

Furniture, equipment and leasehold improvements are reported at cost less accumulated depreciation and amortization. Depreciation on furniture and equipment is calculated at an annual rate of 20% using the declining balance method. Leasehold improvements are amortized on a straight line basis over the remaining terms of the leases up to a maximum of five years.

(d) Income taxes

Income taxes are accounted for on the tax allocation basis, which relates the provision for income taxes to the reported accounting income for the period. Timing differences between the income reported for accounting and for tax purposes are recorded as deferred income taxes and arise from the exclusion of qualifiable accrued interest from income for tax purposes and from claiming an investment reserve for tax purposes.

(e) Premiums

Premiums are assessed against member institutions based on insurable deposits held by those institutions on April 30 of each year. Premiums and premium rebates, representing refunds of premiums previously paid, are credited or charged directly to the Deposit Insurance Fund in accordance with section 18 of the Act.

3. Cash and cash equivalents

	1982	1981
	(in thousands of dollars)	
Cash	\$ 9	\$ 692
Short-term deposit	—	400
Treasury bills	132,604	81,623
	<u>\$ 132,613</u>	<u>\$ 82,715</u>

4. Loan to member institution

During the year, the Corporation advanced \$50 million to a member institution, in accordance with section 11 (a) of the Act. This loan is repayable in full on or before April 30, 1983.

5. Loans to Quebec Deposit Insurance Board

In 1981, under section 33 of the Act, the Corporation entered into an agreement with the Quebec Deposit Insurance Board whereby the Corporation approved a line of credit of \$100 million to the Board. All funds advanced to the Quebec Deposit Insurance Board were guaranteed by the Province of Quebec and were repaid in full with interest on June 11, 1982.

6. Investments

		<u>1982</u>	<u>1981</u>
		(in thousands of dollars)	
Canada bonds	1982	\$ —	\$ 29,992
	1983	32,287	32,183
	1984	<u>19,974</u>	<u>19,949</u>
(Market value	1982 - \$52,424		
	1981 - \$78,017)	<u>52,261</u>	<u>82,124</u>
Acquired from former member institutions			
Canada bonds and other bonds and debentures		1,164	1,165
(Market value	1982 - \$861		
	1981 - \$636)		
Mortgages		<u>13,326</u>	<u>6,263</u>
		<u>14,490</u>	<u>7,428</u>
		<u>\$ 66,751</u>	<u>\$ 89,552</u>

The Corporation acquired these assets either as a result of subrogation to the Corporation of the rights and interests of depositors in respect to whom the Corporation paid claims for insured deposits, or in settlement of secured loans owed by a member institution to the Corporation.

7. Claims re insured deposits

	<u>1982</u>	<u>1981</u>
	(in thousands of dollars)	
Astra Trust Company, placed in liquidation in 1980		
Payments to date.	\$ 21,613	\$ 21,532
Recoveries to date, including mortgages valued at \$7,534	<u>17,062</u>	<u>—</u>
	4,551	21,532
Less provisions for loss	<u>3,200</u>	<u>3,200</u>
	1,351	18,332
Commonwealth Trust Company, placed in liquidation in 1970		
Payments to date	5,433	5,433
Recoveries to date	<u>4,993</u>	<u>4,993</u>
	440	440
Less provisions for loss	<u>440</u>	<u>440</u>
	<u>—</u>	<u>—</u>
	<u>\$ 1,351</u>	<u>\$ 18,332</u>

Subsequent to year end the Corporation recovered a further \$632,159 in respect of the Astra Trust Company claim.

Certain claims were filed in 1980 against the Corporation with respect to non-member institutions which are alleged to be related to the operations of the Astra Trust Company. The Corporation is still of the opinion that it is not liable in this connection.

8. Contingency

On March 1, 1982, in accordance with section 11(a) of the Act, the Corporation entered into an agreement to guarantee loans made by a member institution to another member who has been encountering difficulties in meeting its liabilities as they become due. Any such loans outstanding at the end of five years are repayable in full at that time. As at December 31, 1982, total loans outstanding amounted to \$66 million. The potential loss, if any, which may result from this guarantee cannot be estimated at this time.

9. Insured deposits

Deposits insured by the Corporation, on the basis of returns received from member institutions, totalled \$118 billion as at April 30, 1982 (1981 - \$109 billion), comprising deposits of \$109 billion in federal institutions and \$9 billion in provincial institutions.

10. Subsequent events

In January 1983, five member institutions were placed under the control of regulatory authorities.

The Corporation is providing funds to two of the members in the form of fully secured loans in order that their obligations to depositors can be met as they arise. At February 21, 1983, a total of \$19.5 million had been advanced.

In February, 1983, in accordance with section 11 (a) of the Act, the Corporation entered into an agreement to make loans and also to guarantee loans made by a member institution, to one of the five members which has been encountering difficulties in meeting its liabilities as they become due. Any such loans, both direct and under the guarantee, outstanding at the end of five years are repayable at that time. At February 21, 1983, \$135 million had been advanced by the Corporation, and loans outstanding under the guarantee amounted to \$63 million. The Corporation cannot estimate at this time its potential losses, if any, in respect of this agreement.

The Corporation borrowed \$140 million from the Consolidated Revenue Fund to finance the above advances.

MEMBER INSTITUTIONS — FEDERAL

The deposits with federal institutions that were carrying on business at the time the Act came into force on April 17th, 1967, were insured from that date. Deposits made with federal institutions that are licensed under the Bank's & Banking Law Revision Act, the Quebec Savings Banks Act, the Trust Companies Act and the Loan Companies Act after April 17th, 1967, are insured from the date the institutions commenced business.

As at December 31, 1981, ninety-one (91) federal institutions were members of the Corporation.

During the year 1982:

- (a) The following institutions commenced business and therefore became member institutions.

Banks

Banco Central of Canada
Bank Hapoalim (Canada)
Bank Leumi le-Israel (Canada)
Bank of Boston Canada
Bank of Credit and Commerce Canada
Banque Nationale de Paris (Canada)
BT Bank of Canada
Chase Manhattan Bank of Canada (The)
Chemical Bank of Canada
Crédit Commercial de France (Canada)
Credit Lyonnais Canada
Credit Suisse Canada
Dai-Ichi Kangyo Bank (Canada)
Detroit Bank Canada
First Interstate Bank of Canada
First National Bank of Chicago (Canada) (The)
Fuji Bank Canada
Grindlays Bank of Canada
Hanil Bank Canada
Industrial Bank of Japan (Canada) (The)
International Commercial Bank of
Cathay (Canada)
Irving Bank Canada
Israel Discount Bank of Canada
Lloyds Bank International Canada
Manufacturers Hanover Bank of Canada
Mitsubishi Bank of Canada
Mitsui Bank of Canada (The)
Morguard Bank of Canada
National Bank of Greece (Canada)

National Westminster Bank of Canada
Paribas Bank of Canada
Seattle-First Bank Canada
Security Pacific Bank Canada
Société Générale (Canada)
Standard Chartered Bank of Canada
State Bank of India (Canada)
Wells Fargo Bank Canada

Loan Companies

Tordom Corporation

Trust Companies

Hellenic Canadian Trust Company
Interior Trust Company (The)

- (b) The name of Detroit Bank Canada was changed to Comerica Bank Canada.
- (c) The name of the Eaton Bay Mortgage Corporation was changed to the Seaway Mortgage Corporation.
- (d) The name of the Eaton/Bay Trust Company was changed to the Eaton Bay Trust Company.
- (e) Eaton Bay Trust Company (Alberta), incorporated in the Province of Alberta, became federally incorporated.
- (f) Hellenic Canadian Trust Company was continued as a chartered bank; under the name of the National Bank of Greece (Canada).
- (g) The name of Kinross Mortgage Corporation was changed to CIBC Mortgage Corporation.
- (h) Norfolk Trust, incorporated in the Province of Saskatchewan, became federally incorporated; the continuing company being the Norfolk Trust Company.
- (i) The name of Roymor Mortgage Corporation was changed to Royal Bank Mortgage Corporation.
- (j) Tordom Corporation, incorporated in the Province of Ontario, became federally incorporated. The name of the company was subsequently changed to TD Mortgage Corporation.

There were one hundred and thirty-three (133) federal member institutions at December 31, 1982, of which sixty-seven (67) were banks and sixty-six (66) were trust and loan companies as follows:

BANKS

Chartered Banks

ABN Bank Canada	✓ Hanil Bank Canada
Banca Commerciale Italiana du Canada	✓ Hongkong Bank of Canada
Banco Central of Canada	✓ Industrial Bank of Japan (Canada) (The)
Bank Hapoalim (Canada)	✓ International Commercial Bank of Cathay (Canada)
Bank Leumi le-Isreal (Canada)	✓ Irving Bank of Canada
Bank of America Canada	✓ Israel Discount Bank of Canada
Bank of Boston Canada	✓ Korea Exchange Bank of Canada
Bank of British Columbia	✓ Lloyds Bank International Canada
Bank of Credit and Commerce Canada	✓ Manufacturers Hanover Bank of Canada
Bank of Montreal	✓ Mercantile Bank of Canada (The)
Bank of Nova Scotia (The)	✓ Midland Bank Canada
Bank of Tokyo Canada (The)	✓ Mitsubishi Bank of Canada
Banque Nationale de Paris (Canada)	✓ Mitsui Bank of Canada (The)
Barclays Bank of Canada	✓ Morgan Bank of Canada
BT Bank of Canada	✓ Morguard Bank of Canada
Canadian Commercial Bank	✓ National Bank of Canada
Canadian Imperial Bank of Commerce	✓ National Bank of Detroit, Canada
Chase Manhattan Bank of Canada (The)	✓ National Bank of Greece (Canada)
Chemical Bank of Canada	✓ National Westminster Bank of Canada
Citibank Canada	✓ Northland Bank
Comerica Bank Canada	✓ Overseas Bank (Canada)
Continental Bank of Canada	✓ Overseas Union Bank of Singapore (Canada)
Continental Illinois Bank (Canada)	✓ Paribas Bank of Canada
Crédit Commercial de France (Canada)	✓ Royal Bank of Canada (The)
Crédit Lyonnais Canada	✓ Seattle-First Bank Canada
Credit Suisse Canada	✓ Security Pacific Bank Canada
Dai-Ichi Kangyo Bank (Canada)	✓ Société Générale (Canada)
Deutsche Bank (Canada)	✓ Standard Chartered Bank of Canada
Dresdner Bank Canada	✓ State Bank of India (Canada)
First Interstate Bank of Canada	✓ Swiss Bank Corporation (Canada)
First National Bank of Chicago (Canada) (The)	✓ Toronto Dominion Bank (The)
Fuji Bank Canada	✓ Union Bank of Switzerland (Canada)
Grindlays Bank of Canada	✓ Wells Fargo Bank Canada

Savings Bank

Montreal City & District Savings Bank (The)

FEDERAL - Trust and Loan Companies

Amic Mortgage Investment Corporation
Atlantic Trust Company of Canada
Bank of British Columbia Mortgage Corporation
Bank of Montreal Mortgage Corporation
Bayshore Trust Company
Canada Permanent Mortgage Corporation
Canada Permanent Trust Company
Canada Trust Company (The)
Canada Trustco Mortgage Company
CCB Mortgage Investment Corporation
Central and Eastern Mortgage Corporation
Central Trust Company
CIBC Mortgage Corporation
Citizens Trust Company
Continental Bank Mortgage Corporation
Continental Trust Company
Co-Operative Trust Company of Canada
Eaton Bay Trust Company
Eaton Bay Trust Company (Alberta)
Equitable Trust Company (The)
Equitrust Mortgage and Savings Company
Evangeline Savings and Mortgage Company
Evangeline Trust Company
Fedco Mortgage Investment Company
Fidelity Trust Company (The)
Fidmor Mortgage Investors Corporation
First City Mortgage Company
Granville Savings and Mortgage Corporation
Greymac Mortgage Corporation
Guaranty Trust Company of Canada
Income Trust Company
Interior Trust Company (The)
International Trust Company (The)

League Savings & Mortgage Company
MBC Mortgage Corporation
Merchant Trust Company (The)
Montreal Trust Company of Canada
Morgan Trust Company of Canada
Morguard Home Mortgage Investment Corporation
- Morguard Mortgage Investment Company of Canada
- Morguard Trust Company
- Norfolk Trust Company
- North Canadian Trust Company
- Northguard Mortgage Corporation
- Nova Scotia Savings & Loan Company
- Nova Scotia Savings & Trust Company
- Pacific Savings and Mortgage Corporation
- Peace Hills Trust Company
- Pioneer Trust Company
- Premier Trust Company (The)
- Procan Mortgage Corporation
Regional Trust Company (The)
Royal Bank Mortgage Corporation
Royal Trust Corporation of Canada
Royal Trustco Mortgage Company
Seotia Mortgage Corporation
Seaway Mortgage Corporation
Seel Mortgage Investment Corporation
Settlers Savings and Mortgage Corporation
Standard Loan Company
Standard Trust Company
Stanmor Mortgage Corporation
Sterling Trust Corporation
TD Mortgage Corporation
Victoria and Grey Mortgage Corporation
Western Capital Trust Company

MEMBER INSTITUTIONS - PROVINCIAL

A provincial institution may become a member of the Corporation if it is authorized by the province of its incorporation to apply for deposit insurance and if it agrees not to exercise powers substantially different from the powers exercisable by a federal trust or loan company as the case may be.

Prior to coming into force of the Canada Deposit Insurance Corporation Act, the Province of Ontario had instituted a deposit insurance plan of its own covering all the Loan Companies and Trust Companies in that province. This plan, which came into effect on February 10, 1967, was similar to the plan instituted by the Canada Deposit Insurance Corporation Act. After the Canada Deposit Insurance Corporation Act came into effect, the Ontario plan was suspended and all the Ontario companies concerned were subsequently accepted as members of the Corporation effective April 29, 1967.

During 1967, the Province of Quebec adopted legislation to establish a plan of deposit insurance applicable to all institutions that accept deposits in that province. The plan guarantees not only deposits within the province, but also provides for the guarantee of deposits accepted outside Quebec by institutions incorporated in Quebec. In order to avoid duplication of insurance and to meet the desires of provinces where such deposits are located, an agreement was reached between the Corporation and the Quebec Deposit Insurance Board, with the approval of the respective governments, providing as follows:

1. For Quebec institutions that become members, the Canada Deposit Insurance Corporation will insure deposits outside Quebec accepted by such institutions.
2. The Quebec Deposit Insurance Board will guarantee deposits in Quebec accepted by institutions incorporated in Quebec or in other provinces. Where the Canada Deposit Insurance Corporation was insuring deposits accepted in Quebec by institutions incorporated in other provinces, it agreed to terminate its insurance on those deposits on application by the institution with the concurrence of the province of incorporation.
3. The Canada Deposit Insurance Corporation will continue to insure deposits accepted by federally

incorporated institutions, whether accepted in Quebec or elsewhere in Canada, and Quebec will refrain from levying any charges for deposit insurance on such institutions.

4. The Canada Deposit Insurance Corporation is empowered to make short term secured loans to the Quebec Deposit Insurance Board to enable it to meet emergency liquidity needs in connection with its insurance operations.

In order to implement the above understanding, the required amendments to the Canada Deposit Insurance Corporation Act came into effect on March 27, 1968, and on January 22, 1969, an Agreement between the Corporation and the Quebec Deposit Insurance Board was executed.

The Corporation is insuring the deposits located outside the Province of Quebec accepted by the following institutions incorporated in that province:

Citicorp Trust Company
Credit Foncier
Credit Foncier Trust Company
General Trust Inc.
General Trust of Canada
Guardian Trust Company
Montreal Trust Company
Morgan Trust Company (The)
Royal Trust Company (The)
Royal Trust Company Mortgage Corporation (The)
Savings and Investment Trust Company

The Quebec Insurance Board is providing the guarantee for the deposits located in Quebec accepted by companies incorporated in:

- (a) Alberta
First City Trust Company
- (b) Manitoba
Investors Group Trust Co. Ltd.
- (c) Ontario
Crown Trust Company
Financial Trust Company
National Trust Company
Victoria and Grey Trust Company

All these companies are members of the Canada Deposit Insurance Corporation which insures their deposits outside Quebec.

During the year 1982:

- (a) Policies of Deposit Insurance were issued to the London Trust & Savings Corporation and the Provincial Trust Company.
- (b) Eaton Bay Trust Company (Alberta), incorporated in the Province of Alberta, became federally incorporated.
- (c) The name of the Macdonald-Cartier Trust Company was changed to the Greymac Trust Company.
- (d) Norfolk Trust, incorporated in the Province of Saskatchewan, became federally incorporated; the continuing company being the Norfolk Trust Company.
- (e) The name of the North American Trust was changed to General Trust Inc.

At December 31, 1981 fifty-four (54) provincially incorporated loan companies and trust companies were members of the Corporation. Although two additional companies were accepted as members of the Corporation during 1982, the total number of provincial institutions at year end totalled fifty-three (53).

The provincially incorporated member institutions at December 31, 1982 are:

PROVINCIAL - Trust and Loan Companies

Cabot Trust Company
Canborough Corporation (The)
Citicorp Trust Company Q
Columbia Trust Company BC
Community Trust Company Ltd.
Continental Estates Corporation Ltd.
Counsel Trust Company
Credit Foncier Q
Credit Foncier Trust Company Q
Crown Trust Company
District Trust Company
Dominion Trust Company (The)
Effort Trust Company (The)
Executive Trust Company

Family Trust Corporation
Financial Trust Company
First City Trust Company A
First Western Trust Company A
General Trust of Canada Q
General Trust Inc. Q
Greymac Trust Company
Guardian Trust Company Q
Heritage Savings & Trust Company A
HFC Trust Limited L PFI
Home Savings & Loan Corporation
Huron Trust Company
Inland Trust and Savings Corporation Ltd. M
Investors Group Trust Co. Ltd. M
Landmark Savings and Loan Association
London Loan Limited
London Trust & Savings Corporation
Monarch Trust Company
Montreal Trust Company Q
Morgan Trust Company (The) Q
Municipal Savings & Loan Corporation (The)
Municipal Trust Company (The)
National Trust Company Limited
Nipissing Mortgage Corporation
North West Trust Company A
Pacific & Western Trust Corporation S
Principal Savings and Trust Company A
Provincial Trust Company
Royal Trust Company (The) Q
Royal Trust Company Mortgage Corporation (The) Q
Saskatchewan Trust Company S
Savings and Investment Trust Company Q
Seaway Trust Company
Security Trust Company
Shoppers Mortgage and Loan Corporation
Termguard Savings & Loan Company
Vanguard Trust of Canada Limited
Victoria and Grey Trust Company
Yorkshire Trust Company NS

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OTHER LEGISLATION

Under the provision of the Investment Companies Act, the Corporation is empowered to make short term loans, as a lender of last resort, to Canadian controlled Sales Finance Companies. Also, under the provisions of the Cooperative Credit Association Act, the Corporation is empowered to make short term loans, for liquidity purposes, to cooperative credit societies and to provincially created corporations that provide, or administer, stabilization or liquidity funds for the benefit of Credit Unions and their members. The aforementioned functions are entirely separate from those performed by the Corporation under its Act of incorporation. The Corporation is not insuring the debt instruments of the sales finance companies or the deposits and debt instruments of the cooperative credit societies. The loans may be made only for the purpose of meeting short term requirements for liquid funds and the source of funds for the Corporation to make these loans would be borrowed from the Consolidated Revenue Fund.

The Corporation has entered into agreements, to make short term loans for liquidity purposes, with the Credit Union Stabilization Corporation (Alberta), B.C. Credit Union Reserve Board and The Saskatchewan Credit Union Mutual Aid Board.

No funds have been advanced under either Act.