



Canada Deposit
Insurance Corporation

Société d'assurance-dépôts
du Canada

ANNUAL REPORT 1986

Canada



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R.A. McKinlay

Chairman of the Board

Président du conseil d'administration

June 9 , 1987

The Honourable Tom Hockin, P.C., M.P.

Minister of State - Finance

House of Commons

Ottawa, Ontario

Dear Mr. Hockin:

I have the honour to submit to you the Annual Report of the
Canada Deposit Insurance Corporation for the fiscal year
ended December 31, 1986.

Yours very truly,

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Ottawa, Ontario
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Canada

CORPORATE PROFILE

Objects and Purposes

The Canada Deposit Insurance Corporation was established in 1967 by the Canada Deposit Insurance Corporation Act. Its primary role is to provide for the benefit of persons having deposits in banks, trust and loan companies insurance against the loss of all or part of their deposits to a maximum of \$60,000.

In the furtherance of this main function the Corporation may also, amongst other powers, acquire assets from, or make or guarantee loans to, or deposits with, its member institutions for the purpose of averting or reducing a threatened loss to the Corporation.

The Corporation is funded by member institutions by premiums which are assessed on the insured deposits on hand as at April 30th each year. The Minister of Finance is authorized, subject to the approval of the Governor in Council, to make loans to the Corporation out of the Consolidated Revenue Fund up to an aggregate of \$1.5 billion. Bill C-42, an Act respecting financial institutions and the deposit insurance system, provides amongst other things that this borrowing level be increased to \$3.0 billion.

To the extent that the Corporation earns investment revenue in excess of its operating costs it is subject to income tax.

The Corporation has no subsidiaries nor affiliates.

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), Credit Union Deposit Insurance Corporation of British Columbia and the Saskatchewan Credit Union Deposit Guarantee Corporation.

No funds have been advanced under either Act.

BOARD OF DIRECTORS AND OFFICERS

As at December 31, 1986 the Board of Directors consisted of the Chairman who is appointed by Governor in Council and the persons who hold the offices of the Governor of the Bank of Canada, the Deputy Minister of Finance, the Superintendent of Insurance and the Inspector General of Banks. Bill C-86 which was enacted on June 2, 1986 provides that not more than four additional directors who are not employed in the Public Service of Canada and who are not directors, officers or employees of member institutions shall be appointed to the Board of CDIC. It is expected that these appointments will be announced in the near future.

Board of Directors

R.A. McKinlay	Chairman
G.K. Bouey	Governor of the Bank of Canada
S.H. Hartt	Deputy Minister of Finance
R.M. Hammond	Superintendent of Insurance
D.A. Macpherson	Acting Inspector General of Banks

Senior Officers

C.C. de Léry	President and Chief Executive Officer
J.P. Sabourin	Executive Vice-President and Chief Operating Officer
G.I. Ferguson	Corporate Secretary and General Counsel

Corporate Office

Canada Deposit
Insurance Corporation
Place de Ville, Tower "A"
P.O. Box 2340, Station D
320 Queen Street
22nd Floor
Ottawa, Ontario
K1P 5W5

Branch Office

Canada Deposit
Insurance Corporation
3408 - 79 Wellington Street, W.
P.O. Box 156
Toronto-Dominion Centre
IBM Tower
Toronto, Ontario
M5K 1H1

For additional copies, please contact Mr. D.E. Racine,
Director of Public Relations and Human Resources,
Ottawa office.

CHAIRMAN'S REMARKS

During 1986 and as anticipated in last year's Report, the preponderance of the activities of the Corporation related to working with liquidators, receivers and agents to maximize the recovery from assets being administered by them in connection with twenty insolvent member institutions. Of these, nineteen arose prior to the 1985 year-end, and Columbia Trust Company in Vancouver was placed in liquidation in 1986.

The Corporation was also engaged in the development of several major financial reorganizations of member institutions which, among other benefits, resulted in the minimization of major losses which otherwise would have been suffered by CDIC.

Board of Directors

Early in 1986 Mr. W.A. Kennett, the Inspector General of Banks and a long time member of the Board of Directors of CDIC retired from the government service. He was a regular attendee at Board meetings and at one point was acting Chairman of the Board. His quiet wisdom and advice will be missed.

Late in the year, Mr. G.K. Bouey announced his intention to retire on January 31, 1987 upon the completion of his second seven-year statutory term as Governor of the Bank of Canada. During the fourteen years he was in office, Mr. Bouey served as a member of the Board of Directors of CDIC. His counsel on important policy issues and his steadying influence have been of significant value to the Corporation.

On behalf of the Board, the Officers and the staff of the Corporation, I wish to congratulate Mr. John W. Crow upon his appointment as Governor of the Bank of Canada and to welcome him as a Director of CDIC. We all look forward to his active participation on the Board.

Early in 1987, the Minister of State for Finance announced the appointment of Mr. M.A. Mackenzie as Inspector General of Banks, pending his appointment as Superintendent of Financial Institutions upon the passing of the requisite statute. His in-depth experience as an auditor of financial institutions will bring a valuable dimension to the Board of Directors of CDIC.

The Evolving Role of CDIC

Beginning in 1985 and during 1986 a corporate organizational plan was developed and subsequently approved by the Board. This plan has been designed to

equip the Corporation to carry out its statutory mandate of providing insurance to small depositors in member institutions and to eliminate or reduce exposure to losses in connection therewith. The plan is also designed to provide the organizational structure and operating procedures needed to work effectively with regulators, and to monitor the progress of the liquidators, receivers and agents who are administering the insolvencies of twenty member institutions.

It has become evident that the liquidation of financial institutions using traditional processes is slow and costly and that better methods of solving the financial problems of member institutions must be sought. The ongoing role of CDIC as an insurer with respect to troubled members must be preventive and timely. In plain language, the Corporation's role is moving from that of an undertaker to that of doctor. The organization and staffing of the Corporation is being designed, amongst other things, to accommodate this evolution. While such a philosophy has significant economic and social benefits for the community at large, it also meets an important CDIC mandate of eliminating or reducing losses and at the same time continuing the climate of co-operation with the federal and provincial regulators.

To accomplish the foregoing desirable result, problems must be identified at the earliest possible moment to enable corrective measures to be taken before the erosion reaches the point where rehabilitation becomes impossible. Heretofore, the regulation and monitoring of the financial performance of member institutions has been based in large measure on the review of historical performance with audited financial statements being a key element in this process.

The need for a better system to signal early warnings of developing financial problems in member institutions has been identified in a number of recent studies concerning the regulation of financial institutions and the providing of deposit insurance.

It is the general feeling of the Corporation that in the foreseeable future, the business plans and forecasts of member institutions must be integrated into the regulatory process, with shareholders' auditors accepting some type of review responsibility for these plans and forecasts. This is one method of providing an early warning system which should be capable of quick and easy implementation.

The New Regulatory Environment

In December 1986, the Honourable Thomas Hockin, P.C., M.P., Minister of State for Finance, tabled a policy paper setting out a framework for the structure and regulation of banks and other federally regulated financial institutions.

Senior officers of CDIC participated with senior government officials in the preparation of various research papers which led to the "New Directions for the Financial Sector" policy paper which has become known as the "Blue Paper". The policies set out in the "Blue Paper" represent a significant evolution in the regulatory environment and statutory structure of the financial services industry. It is indeed gratifying that those proposals which the Minister introduced into Parliament on March 3, 1987, have been so well received by the business community.

Bank of British Columbia

During the latter half of 1986 it became apparent that the Bank of British Columbia, having tried to resolve its financial problems, was not likely to be able to rehabilitate itself. It was responsibly estimated that a formal liquidation of the Bank could create a loss for CDIC in the magnitude of \$600 million.

As a result of a collective effort by the Department of Finance, the Department of Justice, the Inspector General of Banks, CDIC and its professional advisers, an agreement was negotiated with Hongkong Bank of Canada, and its parent, The Hongkong and Shanghai Banking Corporation, one of the largest banks in the world.

Essentially, the agreement provided that the Hongkong Bank of Canada would acquire substantially all of the assets and liabilities of the Bank of British Columbia on a going concern basis. As part of the consideration and to facilitate the transaction, CDIC paid \$200 million to The Hongkong and Shanghai Banking Corporation and received acceptable assurances that it would cause its Canadian subsidiary to operate within regulatory guidelines as required by the Inspector General of Banks.

This collective effort was a demonstration of "the will to act" as urged by Mr. Justice W.Z. Estey in his "Report of the Enquiry into the Collapse of the CCB and Northland Bank". The statesmanship of the officers of the Hongkong Bank of Canada, its parent and the Bank of British Columbia was an important ingredient in finding the solution.

To complete the transaction, a special Act of Parliament — the "Bank of British Columbia Business Continuation

Act" (Bill C-27) was enacted. With the unanimous support of the House of Commons and with the approval of Senate, the Bill received Royal Assent in less than 48 hours. It is difficult to imagine this happening elsewhere and it represents a triumph for the Canadian way of doing things.

Federal — Provincial Cooperation

During 1986, provincial regulators and officers of CDIC continued their efforts to resolve problems of mutual concern on a co-operative basis.

In British Columbia, CDIC worked closely with the regulators and senior government officials in an effort to avoid the collapse of Columbia Trust Company. Notwithstanding our joint efforts to avoid formal proceedings, an acceptable going concern solution could not be found. Accordingly, on an application made by CDIC, the Supreme Court of British Columbia ordered that the affairs of Columbia Trust Company be wound up.

In Alberta, CDIC and provincial officials entered into an agreement whereby CDIC has contributed \$275 million towards the restructuring of North West Trust Company, being significantly less than the estimated cost of proceedings under the Winding-up Act. As partial consideration for this contribution, CDIC has received an indemnity from Alberta to cover any losses which CDIC might incur by reason of it continuing deposit insurance at North West Trust Company.

In addition, the Province which has acquired about 99% of the outstanding share capital of North West Trust, has provided CDIC with a covenant that it will require the Company to operate within requisite Provincial and CDIC guidelines in the future.

In Ontario, CDIC officers continue to have regular contact with the Ontario regulators with respect to the continuing issues involving the Greymac and Crown Trust matters and other situations.

Real Estate Advisory Committee

This Committee consists of five experienced and respected real estate executives whose names are listed elsewhere in this report.

Their contribution has been of significant value to CDIC. This was particularly evident in developing the marketing strategy and analysing offers which were received in connection with the sale of the former Cadillac Fairview apartments comprising some 11,000 rental units in Metropolitan Toronto. In the final analysis, the Supreme Court of Ontario approved a sale of these buildings for an

amount in excess of \$400 million, being significantly more than the originally estimated recovery.

CDIC requires that all proposals from agents, liquidators and receivers with respect to the realization of major real estate assets in which the Corporation has an interest, be referred to this Committee for its advice.

The continuing support and assistance of this important Committee is sincerely appreciated by the officers and directors of the Corporation.

**Payouts Under Bill C-79
Financial Institution Depositors' Compensation Act**

In its capacity as Agent of the Government of Canada, the Corporation managed the payout to the uninsured depositors of the Canadian Commercial Bank and Northland Bank. This work was completed during 1986. Complaints were minimal during this complex process.

The Deficit

The magnitude of the CDIC deficit, which was reported at \$1.2 billion at the end of 1986, is of continuing concern. This figure, of course, includes the special payments made by CDIC to minimize its losses in connection with the Bank of British Columbia and North West Trust Company and it also takes into account the projected losses on the payout of insured depositors of Columbia Trust Company.

Assuming that premiums continue at the present rate of 1/10 of 1% of insured deposits, and assuming no new major demands on the insurance fund, it is forecast that the deficit will be steadily reduced and will be virtually eliminated entirely during 1994.

It is of significance to note that notwithstanding these

heavy demands on the Corporation, during 1986 there was no material effect on the deficit.

Conclusion

During 1986, CDIC effectively managed several major crises, and by working closely with agents, liquidators and receivers was able to improve recoveries over those originally estimated. The Corporation wishes to express its appreciation for the continuing support of these professionals, and for the support of those members of the legal profession upon whom it has, and will continue to rely on for important advice on many matters.

These remarks would be incomplete if I did not recognize with much personal appreciation, the untiring support which I have received from the senior officers of the Corporation. The effective management of the 1986 crises is evidence of their dedication and competence.

CDIC is a relatively small organization dealing with large and sensitive matters. These have been handled very well, and on behalf of the Board, I wish to express to all staff members our gratitude for their individual efforts during the past year.

Finally, I wish to recognize the work of the Board of Directors, all of whom have full time heavy responsibilities in connection with their primary offices in the government services. During 1986 the Board met 23 times. Most of the meetings consumed a full business day and some took much longer. While strong positions were taken on some issues, it is worth noting that all motions of the Board were decided on a unanimous basis. The contribution of the members of the Board of Directors to the work of the Corporation is much appreciated.

The 8th day of May 1987.



PRESIDENT AND CHIEF EXECUTIVE OFFICER'S REVIEW OF OPERATIONS FOR 1986

The Canada Deposit Insurance Corporation (CDIC), from its establishment in 1967 to the end of 1985, has had to meet its obligations as the insurer of deposits on nineteen different occasions as follows:

Commonwealth Trust in (1970), Security Trust (1972), Astra Trust (1980), District Trust (1982), Crown Trust, Greymac Trust, Greymac Mortgage, Fidelity Trust, Amic Mortgage, Seaway Trust, Seaway Mortgage (1983), Northguard Mortgage (1984), Pioneer Trust, Western Capital Trust, London Loan Limited, Continental Trust, Canadian Commercial Bank, CCB Mortgage Investment Corporation and Northland Bank (1985).

In September of 1986, the Supreme Court of British Columbia ordered that Columbia Trust Company of Vancouver be liquidated under the Winding-Up Act. The Corporation subsequently made insurance payments to approximately 12,000 depositors totalling approximately \$100 million and acquired through subrogation the depositors' claims against the Estate of Columbia Trust.

The Corporation over the period of these twenty insolvencies has paid out approximately \$4.0 billion in depositors' claims. There still remains as at the 1986 year-end approximately \$94 million of deposit liabilities plus interest to be paid as they mature to depositors in respect of the six agency and operating agreements still in force for District Trust, Crown Trust, Greymac Trust, Greymac Mortgage, Fidelity Trust and CCB Mortgage Investment Corporation. These agreements terminate during the course of 1987 and 1988 at which time the Corporation will have to repay any outstanding depositor claims and loans to the insolvent institutions made by the agents appointed under these agreements.

The above figures include the transfers to other member institutions of some \$239 million in respect of approximately 38,000 Registered Retirement Savings Plans and Registered Home Ownership Savings Plans. Special arrangements were required prior to such transfers with Revenue Canada and the Quebec authorities as otherwise direct payment to the planholders would have resulted in deregistration under the respective Income Tax Acts.

Planholders would in such a case have been required to treat the proceeds as income received in that year. In each and every case undertakings were obtained by CDIC from these member institutions to transfer to any other institution, without penalty, the funds in any plan where a direction was received directly from the planholder within a reasonable prescribed period.

The Corporation as indicated in its 1985 annual report was appointed as Agent of the Government of Canada in respect of Bill C-79, the Financial Institutions Depositors Compensation Act. In this regard CDIC made available to all uninsured depositors of both the Canadian Commercial Bank and the Northland Bank the necessary documentation to make application for payment, reviewed same upon receipt and processed the approved applications. To date some \$798 million have been paid out by way of approximately 3,850 cheques. There were very few complaints and the Corporation recognizes the diligence and efforts of its Comptroller, Mr. B. Scheepers, who has the daily overall responsibility for this demanding and time consuming project.

During the course of 1986, the financial condition of the Bank of British Columbia continued to be weakened because of non-performing loans due in large part to the protracted economic slump in Western Canada. Intense negotiations were begun in the Fall of 1986 between the Bank of B.C., Department of Finance, Bank of Canada, Office of the Inspector General of Banks and CDIC officials. In the latter part of November an agreement was reached for Hongkong Bank of Canada to assume the banking business of the Bank of British Columbia as a going concern. The Board of CDIC as part of this initiative agreed to extend the sum of \$200 million. The only other realistic alternative would have been for the bank to shut its doors, the cost of which would have been considerably greater for CDIC.

Subsequent to the year-end, the Corporation and the Province of Alberta announced that an agreement had been reached with regard to the rehabilitation of North West Trust Company, an Alberta incorporated trust company doing business in Western Canada. Negotiations

between officials of the Province of Alberta and CDIC were originally initiated in the Spring of 1986. In return for a contribution by CDIC of \$275 million to be used in the overall restructuring of North West Trust, the Province of Alberta is providing CDIC with an indemnity against losses as the insurer of deposits up to \$60,000 as stipulated under the CDIC Act. Alberta in addition is providing undertakings regarding the ongoing operations and financing of the trust company within requisite Alberta and CDIC guidelines. The Corporation is confident as in the case of the Bank of British Columbia, that the cost of liquidating North West Trust would have been considerably greater for CDIC not to mention the many beneficial and economical factors to proceed in this manner.

Realization

With respect to those institutions under agency agreements in 1986, \$182 million were obtained from the realization of assets and \$145 million of maturing deposits were repaid. The total advanced by the Corporation under these agency agreements was \$1.2 billion at the end of 1986 and are secured by specific or floating charges on the remaining assets of the companies concerned. Additional repayments in respect of the sums advanced directly by the agents or CDIC will occur in 1987 since those assets being realized by the agents should exceed the maturing deposit liabilities referred to earlier in this review. It is projected that advances will be reduced to \$1.0 billion as at the end of 1987.

With respect to those institutions under liquidation, the Corporation received during 1986 some \$167 million from the Court appointed liquidators by way of distributions from the realization of assets under their administration. The Corporation anticipates \$136 million of additional recoveries in this regard during the course of 1987.

Inspections

Under the terms of the Canada Deposit Insurance Corporation Act, acting on behalf of the CDIC, the Superintendent of Insurance examined the affairs of the federally incorporated trust and loan companies, and the Inspector General of Banks examined the affairs of the banks. Forty-one provincial member institutions were also examined on behalf of CDIC by persons designated by it for that purpose.

Corporate Plan

In accordance with the requirements of the Financial Administration Act, the Corporation submitted to the Minister of State for Finance a five year corporate plan and its annual operating and capital budgets for 1987. As well, amendments to the corporate plan for the 1986/90 period and the operating and capital budgets for 1986 were submitted. These were approved by the Governor in Council in December 1986.

Financial

Financial transactions for the year are shown in the attached statements.

For the year ended December 31, 1986, CDIC's income from interest on investments and administrative operations amounted to \$8.6 million consisting in large part (\$5.6 million) of interest paid in respect of the Corporation's income tax refund in 1986. Expenses totalled \$7.7 million therefore leaving a surplus or net earnings from investment and administrative operations of approximately \$1 million.

The Corporation received \$110 million in interest from loans made to member institutions under agency agreements and paid interest of \$109 million to agents that had advanced loans on behalf of the Corporation. Since these institutions are insolvent, their interest payments increase their deficits and therefore increase the Corporation's losses.

The premiums assessed during the year totalled \$217 million, an increase of \$159 million over the previous year. This increase is due to the annual increased assessment of 1/30 of 1% to 1/10 of 1% of insured deposits of member institutions effective February 1, 1986. The accumulated premiums paid since the Corporation's inception now total \$562 million (1985 - \$345 million).

The deficiency from insurance operations as at year-end 1985 totalled \$406 million and the total deficiency in the Deposit Insurance Fund amounted to \$1.235 billion as at that year-end. The deficiency in the Deposit Insurance Fund at year-end 1985 included an additional general provision for that year of \$420 million to the previous years' provision for loss of \$1.250 billion.

As at December 31, 1986, the deficiency from insurance operations of \$11 million and the net earnings from investment and administrative operations of \$1 million increased the year-end deficiency by \$10 million to its current level of \$1.245 billion. The Corporation's payments of claims in respect of insured deposits plus the previously reported payment of \$200 million for the Bank of British Columbia totalled \$298 million in 1986 using in part its own resources plus interest bearing loans from the Consolidated Revenue Fund.

Even though the Corporation's financial statements show this substantial deficit, its ability to meet its obligations as an insurer is not at risk. The Corporation is assured of adequate financial resources either by way of annual premiums paid by member institutions or by temporary financing through interest-bearing loans from the Consolidated Revenue Fund. Statutory authority exists to authorize such loans to an aggregate of \$1.5 billion (see note 7 of Financial Statements).

The Corporation's capital and operating budgets for 1986 were prepared in the latter part of 1985 and the Corporation had no knowledge at that time of the events which it would be called upon to face in 1986. In the circumstances, a comparison of actual performance to budget has not been attempted in this respect.

At year end, total insured deposits with member institutions amounted to \$188 billion (an increase of 8.0%) made up of \$173 billion in federally incorporated institutions and \$15 billion in provincially incorporated institutions.

Legislation

Bill C-86, an Act to amend the Canada Deposit Insurance Corporation Act was passed by the House of Commons on June 2, 1986. One of these amendments provides for an increase in the premiums assessed to member institutions from 1/30 of 1% to 1/10 of 1% of insured deposits effective from February 1986 to April 30, 1987. The other major amendment under this legislation was the increase of the membership of the Corporation's Board of Directors from five to nine members. The Board presently consists of the Governor of the Bank of Canada, the Deputy Minister of Finance, the Inspector General of Banks, the Superintendent of Insurance and the Chairman appointed by the Governor in Council.

Advisory Committee

Fifteen meetings of the Corporation's Real Estate Advisory Committee were held in 1986.

This Committee is chaired by Mr. William C. Poole, retired Senior Vice-President, Realty Advisory Group of the Toronto-Dominion Bank while the other members are Messrs. Joseph Berman, co-founder and formerly a Director of The Cadillac Fairview Corporation, David C. Howard, Chairman, Citicom Inc., and formerly President of Gulf Realty Co., Kenneth Rotenberg, Chairman of the Board, Rostland Corporation and Herbert I. Stricker, President, Heathcliffe Developments Limited.

During the course of the past year these gentlemen made a major contribution to the Corporation. Their advice on marketing matters, strategy and review of offers in respect of the more substantial properties resulted in increased recoveries which benefited the Corporation and their role and contributions are much appreciated.

Former Cadillac Fairview Properties

We are pleased to report that the Supreme Court of Ontario following the implementation of the various recommendations and strategies set forth by the Supreme Court in its Disposition Strategy Report dated July 23, 1985, approved in the latter part of 1986, Clarkson Gordon Inc.'s recommendation to accept 26 offers for the properties in question for amounts in excess of \$400 million. It is interesting to note that 239 offers were received for the twenty-six complexes involving 10,931 apartments and town-houses. As a result of these sales, CDIC's projected losses will be reduced by approximately \$100 million.

Organization and Staffing


As mentioned in our 1984 and 1985 annual reports, the Corporation was inundated with problems and responsibilities well beyond its then existing resources due in large part to the many insolvencies that had occurred in 1983 and subsequently. The Corporation through senior management gave these matters priority and during the latter part of 1985 and the past year an organizational structure was formulated and approved by the Board. There are still a few more specialists to be hired but these positions will be filled very shortly. We are now confident that the Corporation has built a team with the required background and expertise to allow it not only to meet its objectives and discharge its obligations but also to face any future problems. A corporate policy and procedures manual was developed in 1986 which covers all substantive

policies and procedures required for CDIC to fulfill its mandate together with all associated administrative functions.

Indeed one can now see some light at the end of the tunnel. We are most grateful to all of our personnel who have, by and large, performed and worked often times far

beyond what one can or should expect. We recognize these efforts and contributions and extend to one and all our sincere appreciation.

The 8th day of May 1987.

A handwritten signature in cursive script, appearing to read "J. A. L. de la Cruz".



AUDITOR GENERAL OF CANADA

VÉRIFICATEUR GÉNÉRAL DU CANADA

AUDITOR'S REPORT

To the Minister of Finance

I have examined the balance sheet of the Canada Deposit Insurance Corporation as at December 31, 1986 and the statements of investment and administrative operations, deposit insurance fund 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 present fairly the financial position of the Corporation as at December 31, 1986 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied, after giving retroactive effect to the change in accounting policy as described in Note 3 to the financial statements, on a basis consistent with that of the preceding year.

Further, in my opinion, the transactions of the Corporation that have come to my notice during my examination of the financial statements have, in all significant respects, been in accordance with Part XII of the Financial Administration Act and regulations, the Canada Deposit Insurance Corporation Act and the by-laws of the Corporation.

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

Ottawa, Canada
May 8, 1987

CANADA DEPOSIT INSURANCE CORPORATION

Balance Sheet
as at December 31, 1986
(in thousands of dollars)

<u>ASSETS</u>	<u>1986</u>	<u>1985</u>	<u>LIABILITIES</u>	<u>1986</u>	<u>1985</u>
Treasury bills and term deposits	\$ 63,251	\$ 64,191	Bank indebtedness	\$ 840	\$ 10,532
Premiums and other accounts receivable	8,688	16,951	Accounts payable	3,982	2,626
Income taxes recoverable	--	44,025	Accrued liability (Note 6.b)	275,000	--
Mortgages	747	1,039	Due to member institutions	--	27,647
Loans to member institutions (Note 4)	497,414	500,062	Loans from member institutions	1,001,044	995,895
Claims in respect of insured deposits (Note 5)	959,324	1,049,895	Loans from Consolidated Revenue Fund (Note 7)	965,212	956,211
				2,246,078	1,992,911
Furniture, equipment and leasehold improvements	584	206	General provision for loss (Note 8)	529,215	918,836
				2,775,293	2,911,747
			<u>DEPOSIT INSURANCE FUND</u>		
			Deficiency at year end	(1,245,285)	(1,235,378)
	\$1,530,008	\$1,676,369		\$1,530,008	\$1,676,369

Approved by the Board:

Wm. Keirley

Chairman

Chairman

R. Z. Gamm

Director

CANADA DEPOSIT INSURANCE CORPORATION

Statement of Investment and Administrative Operations for the year ended December 31, 1986

(in thousands of dollars)

	<u>1986</u>	<u>1985</u> (restated)
Interest revenue		
Income tax recovery	\$ 5,640	\$ —
Treasury bills	2,859	3,835
Other	134	256
	<u>8,633</u>	<u>4,091</u>
Expenses		
Inspection and other fees	5,191	5,254
General, administrative and other	1,112	1,008
Salaries and employee benefits	1,432	709
	<u>7,735</u>	<u>6,971</u>
Net earnings (loss) from investment and administrative operations	<u>\$ 898</u>	<u>\$(2,880)</u>

CANADA DEPOSIT INSURANCE CORPORATION

Statement of Deposit Insurance Fund for the year ended December 31, 1986

(in thousands of dollars)

	<u>1986</u>	<u>1985</u> (restated)
Deficiency, beginning of year	\$ 1,235,378	\$ 826,787
Insurance operations		
Premiums	216,792	57,876
Interest on loans to member institutions	109,553	105,629
Other interest	90	3,934
	<u>326,435</u>	<u>167,439</u>
Cost of guarantees (Note 6)	475,000	—
Interest on loans from member institutions	108,859	108,606
Interest — Consolidated Revenue Fund	82,820	35,101
Interest in respect of insured deposits	561	9,443
Provision for loss (reversal)	(330,000)	420,000
	<u>337,240</u>	<u>573,150</u>
Deficiency from insurance operations for the year	<u>10,805</u>	<u>405,711</u>
Deficiency before net earnings (loss) from investment and administrative operations	1,246,183	1,232,498
Net earnings (loss) from investment and administrative operations	<u>898</u>	<u>(2,880)</u>
Deficiency, end of year	<u>\$ 1,245,285</u>	<u>\$ 1,235,378</u>

CANADA DEPOSIT INSURANCE CORPORATION

Statement of Changes in Financial Position

for the year ended December 31, 1986

(in thousands of dollars)

	<u>1986</u>	<u>1985</u>
Cash provided by (used in) Investment and Administrative Operations		
Interest revenue	\$ 8,601	\$ 4,084
Inspection and other fees	(6,275)	(4,199)
General, administrative and other	(1,133)	(908)
Salaries and employee benefits	(1,421)	(666)
Income tax recovery	44,025	—
Purchase of furniture, equipment and leasehold improvements	(470)	(88)
	<u>43,327</u>	<u>(1,777)</u>
Cash provided by (used in) Insurance Activities		
Premiums	219,054	66,823
Cost of guarantees	(200,000)	—
Payment of claims in respect of insured deposits	(97,933)	(1,029,047)
Recoveries of claims in respect of insured deposits	144,329	120,252
Interest on loans to member institutions	7,284	6,758
Interest in respect of insured deposits	(1,200)	(9,443)
Realization of mortgages	283	1,329
Interest on mortgages	93	188
Interest — Consolidated Revenue Fund	(90,271)	(13,877)
Repayment of due to member institutions	(27,647)	—
Loans to member institutions	(29,076)	(81,361)
Repayment of loans to member institutions	23,033	900
Quebec sales tax on insurance premiums	1,023	187
	<u>(51,028)</u>	<u>(937,291)</u>
Non-cash Insurance Activities		
Loans to member institutions	(28,197)	(81,984)
Recoveries of claims in respect of insured deposits	23,048	40,000
	<u>(5,149)</u>	<u>(41,984)</u>
Cash provided by (used in) Financing Activities		
Loans from Consolidated Revenue Fund	260,000	935,000
Repayment of loans from Consolidated Revenue Fund	(243,547)	—
	<u>16,453</u>	<u>935,000</u>
Non-cash Financing Activities		
Loans from member institutions	5,149	41,984
Increase (decrease) in cash	8,752	(4,068)
Cash balance at beginning of year	53,659	57,727
Cash balance at end of year	<u>\$ 62,411</u>	<u>\$ 53,659</u>
Cash is comprised of:		
Treasury bills and term deposits	\$ 63,251	\$ 64,191
Bank indebtedness	(840)	(10,532)
	<u>\$ 62,411</u>	<u>\$ 53,659</u>

CANADA DEPOSIT INSURANCE CORPORATION

Notes to Financial Statements December 31, 1986

1. Authority and Objective

The Corporation was established in 1967 by the Canada Deposit Insurance Corporation Act (the Act). It is a Crown corporation named in Schedule C Part I of the Financial Administration Act.

The Corporation's principal objective is to provide insurance on deposits with member institutions (banks, and federal and provincial trust and loan companies) up to \$60,000 per depositor per institution. Section 11 of the Act empowers the Corporation to take such action as it deems necessary to fulfill its mandate including the right to acquire assets from, or advance funds to member institutions to reduce or avert a threatened loss to the Corporation.

2. Accounting Policies

Basis of Preparation

These financial statements have been prepared in accordance with accounting principles generally accepted in Canada.

These financial statements do not reflect the assets, liabilities and operations of member institutions whose operations the Corporation is financing in order to secure an orderly wind down.

The more significant policies adopted are set out below.

Premium Recognition

Premiums are based on insured deposits accepted by member institutions as at April 30 of each year and are collectible in two equal installments on June 30 and December 31 of the year. Premiums are recognized when assessed.

General Provision for Loss

The general provision for loss reflects the Corporation's best estimate of losses in respect of member institutions against which the Corporation has or is certain to have a financial claim. This estimate includes consideration of losses expected in respect of claims arising from payments made to insured depositors, loans to member institutions and operations for the duration of the wind-down period of member institutions under management by agents.

The general provision for loss is reduced by identified losses on loans to member institutions or claims in respect of insured deposits.

The general provision for loss does not include an

estimated contingent liability for potential claims of depositors of any member institutions not specifically identified as being in difficulty as such claims would be impossible to estimate.

Loans to Member Institutions and Claims in Respect of Insured Deposits

Loans to member institutions and claims in respect of insured deposits are reported net of identified losses.

Interest Recognition

The Corporation charges interest on loans advanced directly or indirectly to member institutions that are operating under agency agreements. It ceases to charge interest when a member institution is placed in liquidation. It charges interest on other loans in accordance with the terms of the specific loan agreements. Accrued interest is included on the balance sheet as part of "loans to member institutions."

3. Change in Accounting Policy

During the year, the Corporation changed its method of accounting for interest receipts and payments. In prior years, interest receipts on insured deposits and mortgages and interest payments on loans from the Consolidated Revenue Fund and in respect of insured deposits were included in the statement of investment and administrative operations. Since the transactions giving rise to these receipts and payments were made for the benefit of member institutions, the Corporation has decided to include the resulting interest receipts and payments in the statement of deposit insurance fund. This change has been applied retroactively. The effect of this change has been to reduce the loss from investment and administrative operations and to increase the deficiency from insurance operations by \$83.3 million for 1986 (1985-\$39.7 million).

4. Loans to Member Institutions

Certain member institutions that have experienced financial difficulties have been placed under the control of regulatory authorities. In accordance with Section 11 of the CDIC Act, the Corporation entered into agency agreements with other member institutions (agents) to ensure that the respective operations of institutions experiencing financial difficul-

ties, would be wound down in an orderly fashion over a five year term with a majority of these agreements terminating in 1988. The liabilities and operations of these companies are being financed on a continuing basis by way of direct loans or by the respective agents providing loans on behalf of the Corporation. The Corporation has also made direct loans to other member institutions experiencing financial difficulties.

As at December 31, 1986, direct loans or loans made by agents on behalf of the Corporation were as follows:

<u>Member Institutions</u>	<u>Direct</u>	<u>By Agents</u>	<u>Total 1986</u>	<u>Total 1985</u>
(in thousands of dollars)				
Under Agency Agreements				
CCB Mortgage Investment Corporation	\$ 50,936	\$ —	\$ 50,936	\$ 47,929
Crown Trust Company	—	211,117	211,117	235,500
District Trust Company	—	14,510	14,510	7,840
Fidelity Trust Company	47,481	365,189	412,670	360,131
Greymac Mortgage Corporation	68,189	61,600	129,789	113,738
Greymac Trust Company	50,131	151,250	201,381	196,470
	<u>216,737</u>	<u>803,666</u>	<u>1,020,403</u>	<u>961,608</u>
In Liquidation				
Amic Mortgage Investment Corporation	—	—	—	933
Canadian Commercial Bank	—	—	—	75,000
Seaway Mortgage Corporation	—	54,135	54,135	76,234
Seaway Trust Company	—	132,501	132,501	137,451
	<u>—</u>	<u>186,636</u>	<u>186,636</u>	<u>289,618</u>
Other				
Bank of British Columbia	3,200	—	3,200	—
	219,937	990,302	1,210,239	1,251,226
Identified losses	175,840	536,985	712,825	751,164
Balance	\$ 44,097	\$ 453,317	\$ 497,414	\$ 500,062

The Corporation has registered a floating charge on all the assets of member institutions under agency agreements as security for the loans. During the term of the agreements, the agents are paying all liabilities on maturity and are disposing of the assets in a manner to optimize recovery. The assets of these member institutions consist primarily of mortgages and real estate. The ultimate realization of these assets is dependent on the state of economy, interest rate levels and the real estate market.

5. Claims in Respect of Insured Deposits

When the Corporation pays a depositor's claim it acquires a subrogation of the rights and interest of the depositor as against the assets of the member institution. The Corporation's claims in respect of payments to insured depositors of the following member institutions are identified below:

	<u>1986</u>	<u>1985</u>
	(in thousands of dollars)	
Amic Mortgage Investment Corporation	\$ 22,791	\$ 22,768
Astra Trust Company	339	339
Canadian Commercial Bank	276,836	277,000
Columbia Trust Company	84,309	—
Continental Trust Company	41,008	113,901
London Loan Limited	23,854	23,854
Northguard Mortgage Corporation	27,634	27,552
Northland Bank	317,503	316,083
Pioneer Trust Company	81,721	116,015
Seaway Trust Company	86,968	110,062
Western Capital Trust Company	19,321	42,321
	<u>982,284</u>	<u>1,049,895</u>
Identified losses	<u>22,960</u>	<u>—</u>
	<u>\$ 959,324</u>	<u>\$1,049,895</u>

6. Cost of Guarantees

a) The Corporation, under the general powers of Section 11 of the CDIC Act, made a payment of \$200 million to The Hongkong and Shanghai Banking Corporation for purposes of reducing a risk or averting a threatened loss to the Corporation. In exchange for this payment, the Hongkong Bank of Canada assumed substantially all of the assets and obligations of the Bank of British Columbia and The Hongkong and Shanghai Banking Corporation provided the Corporation with a number of undertakings, the most significant of which is the guarantee of the deposit liabilities of the Hongkong Bank of Canada, including those deposit liabilities acquired by the Hongkong Bank of Canada from the Bank of British Columbia.

b) Subsequent to year end, the Corporation entered into an agreement ("North West Trust Company Rehabilitation Agreement") whereby it agreed to make a loan in the amount of \$275 million to the North West Trust Company, a member institution. The right to repayment of this loan will be assigned to the Province of Alberta. In exchange, the Province agrees to indemnify the Corporation for any loss occurring by reason of its obligation to make payment under a policy of deposit insurance. This loan will not be repaid to the Corporation; therefore, it has been charged to the deposit

insurance fund rather than recorded as an asset. These financial statements reflect the related liability.

7. Loans from Consolidated Revenue Fund

With the approval of the Governor in Council, the Corporation can borrow up to \$1.5 billion from the Consolidated Revenue Fund. Bill C-42 was tabled in the House of Commons on March 3, 1987 and when enacted, will increase the Corporation's borrowing authority to \$3 billion.

8. General Provision for Loss

	<u>1986</u>	<u>1985</u>
	(in thousands of dollars)	
Balance, beginning	\$ 918,836	\$ 676,569
Provision for loss (reversal)	(330,000)	420,000
	<u>588,836</u>	<u>1,096,569</u>
Less identified losses:		
Loans to member institutions	36,661	177,733
Claims in respect of insured deposits	<u>22,960</u>	<u>—</u>
	<u>59,621</u>	<u>177,733</u>
Balance, ending	<u>\$ 529,215</u>	<u>\$ 918,836</u>

The Corporation has not taken into account any estimate of the taxes payable by member institutions in arriving at its potential recoveries of claims in respect of insured depositors, and accordingly the general provision of loss. In a Notice of Ways and Means Motion tabled in the House of Commons by the Minister of Finance February 18, 1987, amendments to the Income Tax Act are proposed which will eliminate anomalies which may result in double taxation of a member institution in liquidation in respect of amounts paid by the Corporation to insured depositors of the institution.

9. Contingent Liabilities

The Corporation is a defendant in a number of judicial actions arising out of the collapse or insolvency of various member institutions. The Corporation does not believe it has any liability as a result of these actions and has therefore not provided for any potential claims.

10. Income Taxes

The Corporation is subject to federal income taxes although it is not subject to taxation on

premiums assessed and may not take a deduction for claims paid.

The Corporation has available losses which can be carried forward to reduce future years' earnings otherwise subject to taxation. Such losses total \$158 million and expire as follows:

<u>Taxation Year</u>	<u>Expiry Date</u>	<u>Amount</u>
1984	1991	\$ 33,000,000
1985	1992	62,000,000
1986	1993	<u>63,000,000</u>
		<u>\$158,000,000</u>

11. Deposit Insurance Fund Deficiency

The Corporation is currently assessing premiums at the maximum rate of 1/10 of 1% of the insured deposits as allowed by law which is due to expire on April 30, 1987. Bill C-42 was tabled in the House of Commons on March 3, 1987 and when enacted, will provide the authority, with Governor in Council approval, to set the premium rate to a maximum of 1/6 of 1% of insured deposits.

12. Insured Deposits

Deposits insured by the Corporation, on the basis of returns received from member institutions as at April 30, 1986 and 1985 were as follows:

	<u>1986</u>	<u>1985</u>
	(in billions of dollars)	
Federal Institutions	\$173	\$160
Provincial Institutions	<u>15</u>	<u>14</u>
	<u>\$188</u>	<u>\$174</u>

13. Long-Term Operating Lease Commitments

The following is a schedule of future minimum lease payments for premises expiring in 1991.

<u>Year Ending December 31</u>	<u>Amount</u>
1987	\$ 422,434
1988	436,406
1989	436,406
1990	436,406
1991	<u>213,767</u>
	<u>\$1,945,419</u>

14. Comparative Figures

Certain of the 1985 figures have been reclassified so as to conform with the presentation adopted for 1986, as follows:

- a) Loans to member institutions have been increased and claims in respect of insured deposits decreased by \$47,929,000 to reflect the reclassification of the amount receivable from CCB Mortgage Investment Corporation.
- b) Loans to member institutions have been increased

and claims in respect of insured deposits decreased by \$40,000,000 to record a change in the application of amounts recovered from Seaway Trust Company.

- c) Comparative figures in the statement of changes in financial position have been restated to give effect to the changes required by the Canadian Institute of Chartered Accountants in the presentation of such statements.
- d) Other comparative figures have been restated as explained in note 3.

FIVE YEAR FINANCIAL & STATISTICAL SUMMARY

1986 **1985** **1984** **1983** **1982**
 (Restated) (Restated) (Restated) (Restated) (Restated)
 (\$ millions unless otherwise indicated)

Operations

Total revenues	9	4	12	15	20
Total expenses	8	7	3	3	1
Income taxes paid (recovered)	—	—	(39)	12	12
Net earnings (loss) from investments and administrative operations	1	(3)	48	—	7

Assets and Liabilities

Total assets	1,530	1,676	830	1,157	255
Total liabilities	2,775	2,912	1,657	1,489	2

Insurance Program

Deposit Insurance Fund	(1,245)	(1,235)	(827)	(332)	253
Total insured deposits	188,000	174,000	162,000	154,000	118,000
Premiums assessed	217	58	54	51	15

Member Institutions

Federal #	123	134	140	137	133
Provincial #	40	43	46	51	53
Insolvencies #	1	6	1	1	—
Wind Downs #	—	1	—	6	1

Employees

Number of employees	33	23	16	11	7
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MEMBER INSTITUTIONS

Chartered Banks

- ABN Bank Canada
- ANZ Bank Canada *new* *D*
- Banca Commerciale Italiana of Canada
- Banca Nazionale Del Lavoro of Canada
- Banco Central of Canada
- Bank of Alberta
- Bank of America Canada
- Bank of Boston Canada *Bank of BC - 1✓✓*
- Bank of Credit and Commerce Canada
- Bank Hapoalim (Canada)
- Bank Leumi le-Israel (Canada)
- Bank of Montreal *I*
- Bank of Nova Scotia (The) *I*
- Bank of Tokyo Canada (The)
- Banque Nationale de Paris (Canada)
- Barclays Bank of Canada
- BT Bank of Canada
- Canadian Imperial Bank of Commerce *I*
- Chase Manhattan Bank of Canada (The)
- Chemical Bank of Canada
- Citibank Canada *Commerce - 1✓✓*
- Continental Illinois Bank (Canada) *Continental Bank - 1✓✓*
- Crédit Commercial de France (Canada)
- Crédit Lyonnais Canada
- Credit Suisse Canada
- Dai-Ichi Kangyo Bank (Canada)
- Deutsche Bank (Canada)
- Dresdner Bank Canada
- First Interstate Bank of Canada
- First National Bank of Chicago (Canada) (The)
- Fuji Bank Canada
- Hanil Bank Canada *Shindai - 1✓✓*
- Hongkong Bank of Canada
- Industrial Bank of Japan (Canada) (The)
- International Commercial Bank of Cathay (Canada)
- Irving Bank Canada
- Israel Discount Bank of Canada
- Korea Exchange Bank of Canada
- Lloyds Bank Canada
- Manufacturers Hanover Bank of Canada
- Mellon Bank Canada
- Midland Bank Canada
- Mitsubishi Bank of Canada
- Mitsui Bank of Canada (The)

- Morgan Bank of Canada
- National Bank of Canada *I*
- National Bank of Detroit, Canada
- National Bank of Greece (Canada)
- National Westminster Bank of Canada *Overseas Bank - 1*
- Overseas Union Bank of Singapore (Canada) *A✓*
- Paribas Bank of Canada
- Republic National Bank of New York (Canada)
- Royal Bank of Canada (The) *I*
- Sanwa Bank Canada
- Security Pacific Bank Canada
- Société Générale (Canada)
- Standard Chartered Bank of Canada
- State Bank of India (Canada)
- Swiss Bank Corporation (Canada)
- Toronto-Dominion Bank (The) *I*
- Union Bank of Switzerland (Canada) *Wells Fargo - 1*
- Western & Pacific Bank of Canada

Savings Bank

- Montreal City & District Savings Bank (The)

Federal Trust and Loan Companies

- Atlantic Trust Company of Canada
- Bank of America Canada Mortgage Corporation * 1
- Bank of British Columbia Mortgage Corporation * 2
- Bank of Montreal Mortgage Corporation * 3
- Bayshore Trust Company
- Canada Trust Company (The) *Canada Permanent Mortg - 1✓✓*
- Canada Trustco Mortgage Company * 4
- Central and Eastern Mortgage Corporation * 5
- Central Trust Company
- Chancellor Trust Company *new ✓*
- CIBC Mortgage Corporation * 6
- Citibank Canada Mortgage Corporation * 7
- Citizens Trust Company
- Co-operative Trust Company of Canada *Continental Bank - 1✓✓*
- Coronet Trust Company
- Discovery Trust Company of Canada
- Eaton Trust Company
- Equitable Trust Company (The)
- Evangeline Savings and Mortgage Company * 8

- 20 Evangeline Trust Company
- 21 Fedco Mortgage Investment Company * 9 *FIDELITY - 1 ✓*
- 2 First City Mortgage Company * 10
- 3 Granville Savings and Mortgage Corporation * 11
- 4 Guaranty Trust Company of Canada
- 5 Guardcor Loan Company ✓
- 6 Household Trust Company
- 7 Income Trust Company
- 8 International Trust Company (The)
- 9 League Savings & Mortgage Company * 12
- 30 **Lloyds Bank Canada Mortgage Corporation** * 13 ✓
- 10 MBC Mortgage Corporation * 14
- 11 Merchant Trust Company (The)
- 12 Montreal Trust Company of Canada
- 13 Morgan Mortgage Corporation * 15
- 14 Morgan Trust Company of Canada
- 15 Morguard Mortgage Investment Company of Canada * 16
- 16 Morguard Trust Company
- 17 Mutual Trust Company
- 18 National Bank Mortgage Corporation * 17 *at Quebec - 1 ✓*
- 19 Nova Scotia Savings & Loan Company ✓
- 20 Nova Scotia Savings and Trust Company
- 21 Pacific Savings and Mortgage Corporation * 18 *overseas ✓*
- 22 Peace Hills Trust Company
- 23 Peoples Trust Company
- 24 Premier Trust Company (The)
- 25 Provincial Trust Company
- 26 Regional Trust Company (The)
- 27 Royal Bank Mortgage Corporation * 19
- 28 Royal Trust Corporation of Canada
- 29 Royal Trustco Mortgage Company * 20
- 30 Scotia Mortgage Corporation * 21
- 31 Security Home Mortgage Investment Corporation * 22 *Leamy - 1 ✓*
- 32 Seel Mortgage Investment Corporation * 23
- 33 Settlers Savings and Mortgage Corporation * 24
- 34 Standard Loan Company ✓
- 35 Standard Trust Company
- 36 Sterling Trust Corporation
- 37 TD Mortgage Corporation * 25
- 38 Victoria and Grey Mortgage Corporation * 26
- 39 Wellington Trust Company
- Provincial Trust and Loan Companies**
- 40 Cabot Trust Company
- 41 Canborough Corporation (The) *Columbia - 1 ✓ L*
- 42 Community Trust Company Ltd.
- 43 Counsel Trust Company
- 44 Credit Foncier
- 45 Credit Foncier Trust Company *Quebec - 1 ✓ 2*
- 46 Dominion Trust Company (The) *District - 1 ✓ 2*
- 47 Effort Trust Company (The)
- 48 Executive Trust Company
- 49 Family Trust Corporation
- 50 Financial Trust Company
- 51 First City Trust Company
- 52 First Western Trust Company
- 53 General Trust of Canada
- 54 General Trust Inc.
- 55 Guardian Trust Company
- 56 Heritage Savings & Trust Company
- 57 Home Savings & Loan Corporation ✓
- 58 Huronia Trust Company
- 59 Inland Trust and Savings Corporation Ltd.
- 60 Investors Group Trust Co. Ltd.
- 61 Landmark Savings and Loan Association ✓
- 62 London Trust & Savings Corporation
- 63 Monarch Trust Company
- 64 Montreal Trust Company
- 65 Municipal Savings & Loan Corporation (The) ✓
- 66 Municipal Trust Company (The)
- 67 National Trust Company (The)
- 68 Nipissing Mortgage Corporation * 1
- 69 North West Trust Company
- 70 Pacific & Western Trust Corporation
- 71 Principal Savings and Trust Company
- 72 Royal Trust Company (The)
- 73 Royal Trust Company Mortgage Corporation (The) * 2
- 74 Saskatchewan Trust Company
- 75 Savings and Investment Trust Company
- 76 Security Trust Company
- 77 Shoppers Mortgage and Loan Corporation * 3
- 78 Vanguard Trust of Canada Limited
- 79 Yorkshire Trust Company