

FORM 29**Finance Company Questionnaire and
Financial Report**

 Name of Finance Company

 Date of Incorporation and Jurisdiction
Under Which Incorporated or Continued

 For the Year Ended

PART 1**1 Introduction**

This report is to be prepared by finance companies as defined in the *Securities Regulation*. The report is complete only when accompanied by a full set of audited financial statements.

The data in the report pertain, unless otherwise indicated, to the consolidated operations of the finance company and its subsidiaries.

The evaluation of a company cannot be complete without an evaluation of the capabilities and performance of its management. Readers should recognize that this report is intended for use primarily as a starting point in the process of evaluating the finance company.

2 Organization of the Report

- Part 1 Introduction and organization of the report.
- Part 2 Statement of policy with respect to 9 important corporate policies, knowledge of which will assist in the evaluation of the data contained in other parts. In addition, this part will provide some relevant general information about the company.
- Part 3 Eleven schedules of detailed data with respect to operations for the year that, when read in comparison with previous years' reports, produce a picture of the company's actions through time.
- Part 4 Three sections, one each for consumer loans, sales finance wholesale and capital loans, and mortgage loan companies.

PART 2

For the purposes of this report,

- (a) "dealer" means a person or company who sells products pursuant to security agreements that in turn are sold or assigned to a finance company;
- (b) "delinquent account" means an account on which an instalment or part thereof is past due for a specified period of time;
- (c) "income tax rate" means taxes as a percentage of before tax earnings;
- (d) "renewal contract" means a contract replacing an original contract and entered into to reduce the amount of the monthly instalment from the amount required under the original contract;
- (e) information should, to the extent applicable, be stated separately for each class of receivable.

ITEM 1 Statements of Operational Policy:

Attach a statement that describes the policies, methods of treatment, and statistical significance of each of the following areas (*While the financial statements of the finance company will include a number of the following items, the purpose of this statement is to provide more detailed data than would usually be shown therein*):

- (a) renewals; the policies and procedures regarding renewals including a statement as to whether additional credit investigation of the customer has been made and, where applicable, as to whether the approval of the dealer has been obtained;
- (b) extensions; the policies and procedures regarding extensions including a statement as to whether an extension is granted only when
 - (i) circumstances warrant the postponement of all or part of a current instalment,
 - (ii) the dealer has approved, if applicable, and
 - (iii) an extension fee has been paid;
- (c) delinquencies; the statement should indicate, for each class of business,
 - (i) whether delinquency is measured contractually, or on the basis of recency of payment,
 - (ii) the period of time the account needs to be past due before being classified as a delinquent account, and
 - (iii) whether any partial payment returns a delinquent account to a current status, and if so, describe the type of payment;
- (d) doubtful receivables;
- (e) write-offs; the statement should include an explanation of any automatic write-off policy on delinquencies and the accounting treatment on write-offs including the rebating method;
- (f) amortization of intangible assets; the policies and methods regarding the treatment of intangible assets – e.g. start-up expenses of new branches, debt discount and expense, and goodwill – including an explanation of the basis of valuation, method of amortization, and total amortized to date;
- (g) income taxes; if the income tax rate is significantly less than the maximum applicable tax rate for Canadian corporations, state the reason for the difference;
- (h) non-recurring items;
- (i) income and deferred income; include full descriptions and examples, of all methods of taking up income (derived from financing operations) used by the finance company or any of its subsidiaries and the statement should clearly
 - (i) illustrate the method of accounting for deferred income and reserves representing deferred income, and
 - (ii) if any initial charges are taken (e.g. acquisition charge), state the percentage that each of these charges bears to the total finance charge.

For purposes of comparison, a description of the direct ratio method of taking up income follows:

Direct Ratio Method

The direct ratio method (also known as the “rule of 78ths” and the “sum-of-the-digits” methods) is a method by which the unearned or deferred finance charge can be taken into earned income. It is a method by which the income earned during the period may be matched with expenses incurred during the same period.

In practice, modifications of the direct ratio method are commonly employed. Some modifications are applied to some classes of business while other modifications are applied to other classes of business, within the same company. Still more modifications other than those now in use, might be expected in years to come.

The number of modifications and their development suggests that no one method is "right" for all classes of business at all times. Therefore, the direct ratio method is suggested here as a common point of comparison only and its use as such is not intended to imply a recommendation of the method for any purpose other than as a point of comparison.

Example of the Direct Ratio Method

As applied to a 12-month contract acquired on the first day of the month:

Total initial finance charge	\$100.00
Less: acquisition charge	.00
dealer reserve	.00
other expense items	.00
Net initial finance charge	<u>\$100.00</u>

Amount of finance charge taken up –

in the 1st month (month of acquisition)	\$ 15.39 (12/78 x 100)
in the 2nd month	14.10 (11/78 x 100)
in the 3rd month	12.82 (10/78 x 100)
in the 4th month	11.54 (9/78 x 100)
in the 5th month	10.26 (8/78 x 100)
in the 6th month	8.97 (7/78 x 100)
in the 7th month	7.69 (6/78 x 100)
in the 8th month	6.41 (5/78 x 100)
in the 9th month	5.13 (4/78 x 100)
in the 10th month	3.85 (3/78 x 100)
in the 11th month	2.56 (2/78 x 100)
in the 12th month	1.28 (1/78 x 100)
Total	<u>\$100.00</u>

The example is based on a total finance charge of \$100.

Assuming that expenses incurred for acquiring the contract, etc. are not charged, the total unearned income to be taken up periodically is also \$100. Therefore, on the basis of a 12-month contract acquired on the first day of the month, the amounts of income taken up each month in the example closely approximate the related percentage figures when the direct ratio method is applied without any modifications.

ITEM 2 Operational Information as at the Financial Year End

Include the following additional information, provided that to the extent that the information is included in the annual report to shareholders, a prospectus or material change report filed with the Commission, it is only necessary to cross refer to the date and page number of the document:

- (a) operational review of the current year, including subsidiary operations;
- (b) historical operational review including comparative statistics;
- (c) branch locations

No. of Locations

Alberta excluding the Cities of Edmonton and Calgary
 City of Edmonton
 City of Calgary
 Ontario excluding Metropolitan Toronto
 Metropolitan Toronto
 Quebec excluding Metropolitan Montreal
 Metropolitan Montreal
 British Columbia excluding Metropolitan Vancouver
 Metropolitan Vancouver
 Atlantic Provinces
 Prairie Provinces excluding Alberta
 Other

TOTAL _____ ;
 ===== ;

- (d) management organization chart;
- (e) business experience of senior management;
- (f) details of other significant assets and liabilities of the finance company or its subsidiaries of a "non-finance" nature;
- (g) does the finance company or any of its subsidiaries finance any person or company in which insiders of the finance company or any of its subsidiaries or their families have a direct or beneficial interest, if so, please give details regarding
 - (i) name of person or company,
 - (ii) types of business,
 - (iii) types of financing granted,
 - (iv) total amount outstanding at statement date, and
 - (v) maximum amount outstanding during the period;
- (h) in the case of captive finance companies, state the relationship with parents, including
 - (i) the nature of guarantee,
 - (ii) recourse or repurchase agreements for retail and wholesale financing, and
 - (iii) any agreements for payments by parents to maintain earnings, working capital and similar amounts;
- (i) list security holders beneficially owning, directly or indirectly, 10% or more of the voting securities of the finance company indicating for each security holder the number and percentage of outstanding securities held;
- (j) where companies more than 10% of whose voting securities are beneficially owned, directly or indirectly, by the finance company are otherwise indebted to the finance company, state the following:
 - (i) the amount of instalments of principal in arrears;
 - (ii) the amount of interest due and unpaid showing separately amounts relating to capitalized interest;
 - (iii) the amount of interest on the indebtedness in respect of which credit has been taken in the revenue account for the year.

PART 3
TABLE OF CONTENTS

Schedule 1:	Subsidiary Companies
Schedule 2:	Affiliated Companies
Schedule 3:	Volume of Business excluding renewals
Schedule 4:	Analysis of Consumer Loan Volume for the period by Type of Borrower
Schedule 5:	Maturities of Year End Receivables
Schedule 6:	Maturities of Year End Debt
Schedule 7:	A - Delinquency B - Allowance for Doubtful Accounts C - Loss Experience for Period
Schedule 8:	Analysis of Short-term Debt.

For the purposes of this Part,

- (a) "parent company" means a company which has a subsidiary or an affiliated company;
- (b) "affiliated company" means a company that is subject to a degree of managerial control by another company based on an equity or debt investment;
- (c) "current account" means an inter-company account for day-to-day transactions excluding advances or loans to or from a subsidiary;
- (d) "net current account balance" means the difference between the current account amounts owed to and owed by all the subsidiaries with respect to the finance company;
- (e) "open market borrowings" means borrowings that are obtained by competitive bidding.

**PART 3
SCHEDULE 1
SUBSIDIARY COMPANIES (1)**

Name of Finance Company _____
Year Ended _____

Total Capital and Retained Earnings	Voting Shares Held Directly or Indirectly by the Finance Company	Total Equity Investment at Cost	Advances from the Finance Company	Per Cent of 3 + 4 + 5 to Finance Company Assets
1	2	3	Secured 4	Unsecured 5
				(2) 6

NAMES OF SUBSIDIARIES

Net current accounts with subsidiaries (3)

=====	=====
=====	=====

- Note 1.** If the finance company is itself the subsidiary of one or more parent companies, name such parent companies and give details of any loans to, or from and net current account with, such parent companies.
- Note 2.** Attach an audited financial statement for such subsidiary for which the proportion in Column 6 exceeds 10%.

Note 3. Attach explanations of current accounts if the total exceeds 10% of the finance company's total assets.

**PART 3
SCHEDULE 2
AFFILIATED COMPANIES (1)**

Name of Finance Company _____
Year Ended _____

1 Total Capital and Retained Earnings	2 Voting Shares Held Directly or Indirectly by the Finance Company	3 Total Equity Investment at Cost	4 Secured	5 Unsecured	6 Per Cent of 3 + 4 + 5 to Finance Company Assets (2)
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NAMES OF AFFILIATES

Net current accounts with affiliates (3)

_____	_____
=====	=====
_____	=====

- Note 1. If the finance company is itself the affiliate of another company, name the parent company or companies and give of any loans to, or from and net current account with each such parent company.
- Note 2. Attach an audited annual financial statement for each affiliate for which the proportion in Column 6 exceeds 10%.

Note: 3. Attach explanations of current accounts if the total exceeds 10% of the finance company's total assets.

**PART 3
SCHEDULE 3
Volume of Business, Excluding Renewals**

Name of Finance Company _____
Year Ended _____

	Financing				Loans			Total	Per Cent of Total	
	Retail	Leasing	Wholesale	Dealer	Commercial	Residential Mortgages	Consumer			Other
	1	2	3	4	5	6	7	8	9	10
New Motor Vehicle										
Used Motor Vehicle										
Mobile Homes										
Industrial										
Farm Equipment										
Home Products										
Home Improvements										
Bulk Purchase										
Other Financing (describe)										
Loans										100%

Note 1. Describe volume if the total of column 8 is more than 10% of the grand total.

**PART 3
SCHEDULE 4**

Name of Finance Company _____
 Year Ended _____

ANALYSIS OF CONSUMER LOAN VOLUME FOR THE PERIOD - BY TYPE OF BORROWER

Old Balances Number	Renewed	New Money	Total
	XXXXXXXXXXXXXXXXXX		
	XXXXXXXXXXXXXXXXXX		

- 1. Loans to New Borrowers
- 2. Loans to Former Borrowers
- 3. Loans to Present Borrowers
- Totals:

Included under Number 3 above were _____ loans (number of loans) to present borrowers where the amount of the loan, after deducting both finance charges and insurance charges, did not exceed the old balance renewed by more than 10%. For the purpose of compiling this statistic, the amount of each "Old Balance Renewed", is the unpaid balance owed at the time of refinancing minus all refunds of finance and insurance charges. (A finance company reporting volume on a gross basis will report old balances on line 3 in the table above "gross", even though this supplementary statistic requires using "net" balance figures.)

Note: To be completed by all consumer loan companies and other companies if, in Schedule 5 the total of column 7 is greater than 10% of the total of column 9.

PART 3
SCHEDULE 5
MATURITY OF YEAR END RECEIVABLES

Name of Finance Company _____

Year Ended _____

Year	Financing				Loans			Total	Per Cent of Total
	(1) Retail	Leasing	(2) Wholesale	Dealer	Commercial	Residential Mortgages	(3) Other		
1	1	2	3	4	5	6	7	8	9
Sub-Total Over 5 Years	_____	_____	_____	_____	_____	_____	_____	_____	_____
Total	=====	=====	=====	=====	=====	=====	=====	=====	=====
Total Without Precomputed Charge	_____	_____	_____	_____	_____	_____	_____	_____	_____
Total With Precomputed Charge	_____	_____	_____	_____	_____	_____	_____	_____	_____
Unearned Income	_____	_____	_____	_____	_____	_____	_____	_____	_____
Percentage of unearned income to "with precomputed charge"	_____	_____	_____	_____	_____	_____	_____	_____	_____
Total	=====	=====	=====	=====	=====	=====	=====	=====	=====

Note 1. _____ % of retail financing is with dealer endorsement or repurchase agreement. Note 3. Describe receivables if the total of column 8 is more than 10% of the grand total.

Note 2. Indicate the amount of wholesale in column 3 which was sold out of trust _____ Note 4. If, for valid reasons, actual figures cannot be provided, estimates may be tendered. Where estimates are used the fact should be stated.

**PART 3
SCHEDULE 6
MATURITIES OF YEAR END DEBT**

Name of Finance Company _____
Year Ended _____

Amount Maturing in Year(s)	Debt (1)		Total	Per Cent of Total
	Senior	Junior		
1	_____	_____	_____	_____
2	_____	_____	_____	_____
3	_____	_____	_____	_____
4	_____	_____	_____	_____
5	_____	_____	_____	_____
Sub-Total	_____	_____	_____	_____
6 to 10	_____	_____	_____	_____
11 to 15	_____	_____	_____	_____
16 to 20	_____	_____	_____	_____
21 to 25	_____	_____	_____	_____
Over 25	_____	_____	_____	_____
	=====	=====	=====	100%

Note 1: Includes open market short term and bank borrowing.

**PART 3
SCHEDULE 7A(1)
DELINQUENCY - CONTRACTUAL MEASUREMENT**

Name of Finance Company _____
Year Ended _____

Financing			Loans				Total
Retail	Leasing	Dealer	Commercial	Residential Mortgages	Consumer	Other	
1	2	3	4	5	6	7	8

- 30 - 59 days
- number of delinquent accounts
- % of total accounts
- instalments delinquent (\$)
- % of total balances

- 60 days or more
- number of delinquent accounts
- % of total accounts
- instalments delinquent (\$)
- % of total balances
- balances delinquent (\$)
- % of total balances

Note 1: The finance company should report on Schedules 7A(1) and/or 7A(2) in accordance with the method or methods in use by the company as referred to in item 1(c) of Part 2.

PART 3
SCHEDULE 7A(2)
DELIVERY - RECENCY MEASUREMENT (1)

Name of Finance Company _____
 Year Ended _____

Financing			Loans				
1	2	3	4	5	6	7	8
Retail	Leasing	Dealer	Commercial	Residential Mortgages	Consumer	Other	Total

60 - 89 days

- number of delinquent accounts
- % of total accounts
- balances delinquent (\$)
- % of total balances

90 days or more

- number of delinquent accounts
- % of total accounts
- balances delinquent (\$)
- % of total balances

Accounts on which no principal has been received in the last 60 days

- number of delinquent accounts
- balances delinquent (\$)

Accounts on which total applied to unpaid balance in the last 60 days was less than half the contractual instalment

- number of accounts
- balances

(1) The data should be in accordance with the policy stated in item 1(c) of Part 2

PART 3
SCHEDULE 7B
ALLOWANCE FOR DOUBTFUL ACCOUNTS

Name of Finance Company _____
Year Ended _____

	19_____ (current year)	19_____ _____	19_____ _____	19_____ _____
Opening Balance	_____	_____	_____	_____
Losses	_____	_____	_____	_____
Recoveries	_____	_____	_____	_____
Deduct - Net Losses	_____	_____	_____	_____
Sub-Total	_____	_____	_____	_____
Add - Charge into P & L Account	_____	_____	_____	_____
- Other (explain)	_____	_____	_____	_____
Closing Balance	=====	=====	=====	=====
Total Year End Receivables	_____	_____	_____	_____
Per Cent of Closing Balance to Year End Receivables	_____	_____	_____	_____

**PART 3
SCHEDULE 7C
LOSS EXPERIENCE FOR PERIOD**

Name of Finance Company _____
Year Ended _____

Any class of receivables detailed on Schedule 5 which accounts for 10% or more of total net losses for the period should be detailed below. Fill in the appropriate headings. All others may be included in one column.

	All Other	Total
Outstanding at Beginning of Period		
Volume for Period		
Notes Purchased (Bulk-Face Amount)		
1. Total		
Outstanding at End of Period		
Notes Sold (Bulk-Face Amount)		
Notes Charged Off (1)		
2. Total		
3. Liquidation 1. minus 2		
Notes Charged Off (1)		
Less Recoveries		
Net Losses Current Year		

1. For purposes of this schedule, "Notes Charged Off" should be computed, if possible, net of unearned charges. If gross figures are used, please indicate.

2. Amount of claims against bonding companies which are carried as assets is \$ _____.

PART 3
SCHEDULE 8
ANALYSIS OF SHORT TERM DEBT

Name of Finance Company _____
Year Ended _____

	A As At Statement Date	B Bank Borrowings		C Open Market	
		Maximum	Minimum	Maximum	Minimum
1. Date of Occurrence	xxx
2. Cash and Marketable Securities	\$	\$	\$	\$	\$
3. Bank Borrowings	\$	\$	\$	\$	\$
4. Open Market Borrowings	\$	\$	\$	\$	\$
5. Bank Lines	\$	\$	\$	\$	\$

Note 1: Short term debt means debt originally incurred for a term of one year or less.

Note 2: If a precise date is not available, month end is satisfactory.

Note 3: See instructions overleaf.

Instructions to Schedule 8

- (a) Line 1 - Indicate in Column B the precise dates on which maximum and minimum bank borrowings occurred during the year and then indicate in Column C the precise dates on which market borrowings were at maximum and minimum.
- (b) Lines 2, 3, 4 and 5 - Give appropriate dollar amounts as at the indicated dates in Line 1 under Columns B and C.
- (c) Column A - Give dollar amounts as at statement date.
- (d) Explanatory comments by finance companies if necessary.

In addition, the following information should be provided:

1. Name the banks providing lines of credit; if more than 10, list only the names of the 10 banks providing the largest individual lines of credit.
2. What were the maximum short term borrowings (bank and open market) at any one time during the year and the date which these occurred?
3. Has the finance company made any guarantees or endorsements of borrowings not included in Schedule 8?
4. Are any finance company borrowings endorsed or guaranteed by others? Give details.
5. Are any of the bank lines used by subsidiaries, affiliated companies or parent companies? State details and amounts
6. Do available bank lines cover open market borrowings at all times? State policy in this request.

PART 4
TABLE OF CONTENTS

SECTION 1: Consumer Loan Companies Only	
Schedule 1	Major Consumer Loans
SECTION 2: Sales Finance Companies Only	
Schedule 2(a)	Analysis of Wholesale Financing
Schedule 2(b)	Dealer Wholesale Concentrations
Schedule 3	Capital Loans to Dealers
Schedule 4	Dealer Retail Concentrations
SECTION 3: Mortgage Loan Companies Only	
Mortgage Loan Operations	
Schedule 5	Volume of Mortgage Loans
Schedule 6	Aging of Delinquent Mortgage Loans
Schedule 7	Real Estate Owned

PART 4
SECTION 1
SCHEDULE 1
MAJOR CONSUMER LOANS

Provide the following details on those consumer loan customers whose outstanding balances individually exceed 1/10 of 1% of shareholder's equity:

- (a) account number or code;
- (b) occupation;
- (c) date and amount of advance;
- (d) description of security;
- (e) amount outstanding;
- (f) aggregate amount in arrears and number of days during which amount has been in arrears.

NOTE 1 To be completed by consumer loan companies only.

PART 4
SCHEDULE 2
SCHEDULE 2(a)
ANALYSIS OF WHOLESALE FINANCING
(Provide major classifications)

Name of Finance Company _____

Year Ended _____

Maximum Outstanding at Any Month End During Period	Amount Outstanding at Statement Date	Amount Outstanding 6 months or over
XXXXXXXXXXXXXXXXXXXX		

Classification

Totals:

**PART 4
SECTION 2
SCHEDULE 2(b)**

Name of Finance Company _____
Year Ended _____

DEALER WHOLESale CONCENTRATIONS *

List five largest dealer wholesale concentrations at Statement date. Indicate any capital loans to these dealers, but do not include capital loans in determining concentrations.

DEALER Identify by Letter and Type of Business	WHOLESALE OUTSTANDING		WHOLESALE Outstanding Over 6 Months	Capital Loans
	End of Period	Maximum at any Month End During Period		
1.				
2.				
3.				
4.				
5.				
TOTALS			XXX	

Note 1: To be completed by sales finance companies only.

Note 2: If the same dealer appears in Schedules 2(b), 3, and/or 4, the same letter designation should be used for such dealer in all schedules.

* From date of original advance.

PART 4
SECTION 2
SCHEDULE 3
CAPITAL LOANS TO DEALERS

Name of Finance Company _____
Year Ended _____
Number _____

Amount \$ _____

Itemize 5 largest capital loans to dealers showing type of dealer, amount, description of collateral, and program for liquidation of each. If the aggregate amount is less than 1% of shareholders' equity, the 5 largest capital loans to dealers need not be filled out.

**PART 4
SECTION 2
SCHEDULE 4
DEALER RETAIL CONCENTRATIONS**

Name of Finance Company _____
 Year Ended _____

List 5 largest dealer retail concentrations based on outstandings at statement date.

DEALER Identify by Letter and Type of Business	Volume Purchased During Period	Outstanding at Statement Date	Balances* Past Due 60 Days or More	Dealer Reserve Held	Repurchase Recourse or Non- Recourse
1.					
2.					
3.					
4.					
5.					
TOTALS					

* Unpaid balances of accounts with instalments past due 60 days or more on same basis as shown in Schedule 7(a) of Part 3.

**PART 4
SECTION 3
SCHEDULE 5
INVENTORY ACTIVITY**

Name of Finance Company _____

Year Ended _____

	Total		N.H.A.		Residential		Conventional		Construction		Other	
	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.
Beginning Inventory												
Principal Balances												
ADD - Loans Generated and												
Purchased Principles Balances												
Total												
DEDUCT - Principal Balances												
Loans Sold												
DEDUCT - Principal Balances												
Collected												
DEDUCT - Loans Foreclosed and												
Other Loans Taken out of Inventory												
Principal Balances												
DEDUCT - Discounts												
Total Deduction												
Ending Inventory at Cost												
LESS - Reductions to Bring to												
Lower of Cost or Market												
Ending Inventory at Lower of												
Cost or Market												

Beginning Inventory
Principal Balances
ADD - Loans Generated and
Purchased Principles Balances
Total
DEDUCT - Principal Balances
Loans Sold
DEDUCT - Principal Balances
Collected
DEDUCT - Loans Foreclosed and
Other Loans Taken out of Inventory
Principal Balances
DEDUCT - Discounts
Total Deduction
Ending Inventory at Cost
LESS - Reductions to Bring to
Lower of Cost or Market
Ending Inventory at Lower of
Cost or Market

PART 4
SECTION 3
SCHEDULE 6

AGING OF DELINQUENT MORTGAGE LOANS RECEIVABLE
- IN OWN INVENTORY

Name of Finance Company _____

Year Ended _____

	Total		Days Past Due		In Process of Foreclosure Amount	No.
	Amount	No.	30 to 59 Amount	60 days & Over Amount		
N.H.A.						
Conventional 1-4 Family						
Conventional Other						
Construction						
Land-Unimproved						
Miscellaneous						
Total						

Note 1. The finance company should report on this schedule in accordance with the method or methods referred to in Item 1(c) of Part 2.

**PART 4
SECTION 3
SCHEDULE 7
REAL ESTATE OWNED**

Name of Finance Company _____
Year Ended _____

		Property Acquired Through Foreclosure		Property Held For Investment	
		No.	Cost	No.	Cost Less Depreciation
RESIDENTIAL	1 - 4 Family				
	Multiple Dwelling				
COMMERCIAL					
INDUSTRIAL					
LAND - UNIMPROVED					
OTHER					
TOTAL					

NOTE: To be completed if real estate owned exceeds 5% of the total of column 9 on Schedule 5 of Part 3.

