

Manual of Reporting Forms and Instructions for Deposit-Taking Institutions

AMENDMENT CONTROL LOG

Allowance for Impairment

Amendment Number	Effective Date	Page Number	Description
Please note that throughout this Tab, the following changes are all identified by a sidebar:			
1	November 1999	1	<u>Add:</u> ♦ Section 600 of the Bank Act (applies to Foreign Bank Branches) <u>Change:</u> ♦ Section 523 of the Bank Act is now Section 628
2	November 2004	2	<u>Delete:</u> ♦ "Country Risk" column

ALLOWANCE FOR IMPAIRMENT REPORT

REPORT IN \$ THOUSANDS	ALLOWANCES FOR IMPAIRMENT		
	INDIVIDUAL ALLOWANCE	GROUP ALLOWANCE	TOTAL
1. Beginning Balance - Mortgage Loans - Non-Mortgage Loans - Deposits with Regulated Financial Institutions - Securities - Other On-Balance Sheet - Off-Balance Sheet - Total			
2. Write-Offs - Mortgage Loans - Non-Mortgage Loans - Deposits with Regulated Financial Institutions - Securities - Other On-Balance Sheet - Off-Balance Sheet - Total			
3. Recoveries - Mortgage Loans - Non-Mortgage Loans - Deposits with Regulated Financial Institutions - Securities - Other On-Balance Sheet - Off-Balance Sheet - Total			
4. Other (Specify) - Mortgage Loans - Non-Mortgage Loans - Deposits with Regulated Financial Institutions - Securities - Other On-Balance Sheet - Off-Balance Sheet - Total			
5. Charge for Impairment - Mortgage Loans - Non-Mortgage Loans - Deposits with Regulated Financial Institutions - Securities - Other On-Balance Sheet - Off-Balance Sheet - Total			
6. Ending Balance - Mortgage Loans - Non-Mortgage Loans - Deposits with Regulated Financial Institutions - Securities - Other On-Balance Sheet - Off-Balance Sheet - Total			

Manual of Reporting Forms and Instructions for Deposit-Taking Institutions

AMENDMENT CONTROL LOG

Monthly Average Return of Assets and Liabilities

Amendment Number	Effective Date	Page Number	Description
Please note that throughout this Tab, the following changes are all identified by a sidebar:			
6	November 2003	1	<u>Add:</u> ◆ Bank of Canada website to Publication
		20	<u>Change:</u> ◆ Other instructions for Goodwill and Other Intangibles
7	November 2004	1	<u>Change:</u> ◆ Reporting dates from 11 to 13 business days
		6, 32	<u>Add:</u> ◆ Foreign currency translation adjustments
		16, 18	<u>Delete:</u> ◆ Real estate acquired in the liquidation of a loan previously reported in this category and held
		19	<u>Add:</u> ◆ General and Other Instructions to A14(a) ◆ Intangibles with definite/indefinite lives <u>Change:</u> ◆ Unamortized goodwill has been changed to Goodwill ◆ Real estate acquired in the liquidation of a loan has been changed to Foreclosed real estate and other long-lived assets acquired in the liquidation of a loan
		20, 30	<u>Change:</u> ◆ Debentures has been changed to Subordinated debts
		22	<u>Change:</u> ◆ Third Party Assets – Institution administered has been changed to Third Party Assets – Institution sponsored/administered
		30	<u>Add:</u> ◆ General and Other Instructions to L9(c) ◆ “and other termination benefits” to fifth bullet under L9(d) Other
		31	<u>Add:</u> ◆ financial instruments that relate to amounts reported as Tier 1 Capital....

MONTHLY AVERAGE RETURN OF ASSETS AND LIABILITIES

PURPOSE

The purpose of this return is to provide information on the assets and liabilities of the institution each month on an average of days basis. The asset and liability categories are consistent with the month-end consolidated balance sheet; certain Canadian currency items are required in greater detail on the monthly average return.

STATUTORY

Sections 628 and 600 of the Bank Act.

APPLICATION

This return applies to all banks and foreign bank branches. Trust and Loan Companies are not required to submit this return.

PUBLICATION

Information from this return is published in the Weekly Financial Statistics (which are also available at the Bank of Canada website at www.bank-banque-canada.ca) and in the Bank of Canada Banking and Financial Statistics on a total-for-all-institutions basis.

FREQUENCY

Monthly, on an average of days basis.

CONTACT PERSON

Provide name and phone number of person to contact regarding any questions about this return.

REPORTING DATES

The return is to be completed monthly on an average of days basis and submitted within **13** business days of the last day of each month to the Head Office of the Bank of Canada.

WHERE TO SUBMIT

Bank of Canada.

	MONTH OF _____ \$ 000
4. Cheques and other items in transit (net)	
5. Advances from the Bank of Canada	
6. Acceptances	
7. Liabilities of subsidiaries, other than deposits (a) Call and other short loans payable (b) Other	
8. Insurance-related liabilities	
9. Other liabilities (a) Obligations related to borrowed securities (b) Obligations related to assets under sale and repurchase agreements (c) Due to Head Office and related Canadian regulated financial institutions (d) Other	
10. Non-controlling interests in subsidiaries	
11. Subordinated debt	
12. Shareholders' equity (a) Preferred shares (b) Common shares (c) Contributed surplus (d) Retained earnings (e) Foreign currency translation adjustments	
TOTAL CANADIAN CURRENCY LIABILITIES AND SHAREHOLDERS' EQUITY	

(i) Personal loan plans

Include:

- loans granted under an institution's personal loan plan (that is loans which are generally available, are made subject to standard terms and conditions and are usually repaid on an instalment basis), whether at a fixed or variable rate of interest;
- conditional sales contracts to finance the acquisition of consumer goods and services.

(ii) Credit card loans

Include:

- outstanding balances under a credit card plan if users have established access to credit and outstanding items are not debited to the user's deposit account as in the case of ordinary cheques.

(iii) Personal lines of credit

Include:

- loans to individuals for non-business purposes which are advanced under pre-arranged lines of credit.

(iv) Other personal loans

Include:

- loans on the security of bonds or stocks;
- overdrafts in individuals' deposit accounts under Liability 1(d), 2(a)(iv) and 2(b)(iv) and overdrafts in tax accounts related to residential mortgages;
- bridge financing loans associated with residential properties;
- government-guaranteed loans made to individuals for non-business purposes, such as Home Improvement Loans under the National Housing Act and Canada Student Loans;
- all other loans to individuals for non-business purposes not included above.

(g) Reverse Repurchase Agreements

Include:

- Reverse repurchase agreements

(h) To Individuals and Others for Business Purposes

Include:

- loans to government and municipal boards and commissions that are separately constituted and carry on business enterprises;
- loans to religious, charitable and welfare organizations, hospitals and private schools;
- loans, excluding loans to individuals for non-business purposes, guaranteed in whole or in part by Canada, a province or a municipality;
- securities acquired in the liquidation of a loan and held pending disposal or transfer to the Investment Account of the institution;
- except where offset is provided for in these instructions, other overdrafts in deposit accounts under Liability 1 or 2 and not reported elsewhere;

These instructions apply to all mortgage loans, not only to first mortgages.

(a) Residential

(i) Insured

Include:

- advances as well as completed loans insured under NHA or by other private or public insurance companies/agencies.

Exclude:

- mortgages that cease to be insured.

(ii) Uninsured

Include:

- advances as well as completed loans;
- real estate acquired in the liquidation of a loan previously reported in this category and held pending completion of arrangements for disposal or transfer to Asset 12 or 14.

(b) Non-residential

Include:

- advances as well as completed loans for commercial, farm and industrial mortgages;

A 11 Customers' Liability Under Acceptances, Less Allowance for Impairment

Include:

- acceptances of the institution.

Other Instructions:

- Acceptances of the institution when purchased and held are to be reported under Asset 9(h) with a corresponding reduction in Asset 11 and Liability 6, if previously reported in these categories;
- refer to Liability 6.

A 12 Land, Buildings and Equipment, Less Accumulated Depreciation

Include:

- land, buildings, furniture and equipment;
- leasehold improvements that are to be written off during the term of a lease;
- capital leases;
- interest capitalized during the period of construction of major projects;
- former institution premises no longer used as such;
- in "accumulated depreciation",
 - (1) estimated depreciation for the fiscal year to date,
 - (2) actual write-offs,
 - (3) reserves for depreciation, and
 - (4) amortization of capital leases.

Other Instructions:

Where a capital lease is the result of a sale-leaseback arrangement, any profit or loss arising on the sale should be deferred and amortized in proportion to the amortization of the leased asset, except for leases involving land only, in which case it would be amortized over the lease-term on a straight-line basis. However, when at the time of the sale-leaseback transaction the fair value of the property is less than carrying value, the difference should be recognized as a loss immediately.

A 13 Insurance-Related Assets

Include:

- policy loan balances of insurance company subsidiaries.
- premium outstanding balances of insurance company subsidiaries.
- balances due from other insurers in respect of reinsurance contracts, pooling and other arrangements of insurance company subsidiaries.
- deferred policy acquisition expenses of insurance company subsidiaries;
- other assets unique to insurance company operations and not included elsewhere;
- the adjustment in respect of unamortized gains or losses on investments of insurance company subsidiaries (if the balance is a debit).

A 14 Other Assets

- (a) Due from Head Office and related Canadian Regulated Financial Institutions. (To be completed by foreign bank branches only)

General Instructions:

Report on a gross basis:

- a) Netting of assets and liabilities is only permissible in accordance with CICA 3860.34; and
- b) Amounts “due to/from” one branch cannot be used to offset amounts “due to/from” either head office or another branch of the same bank.
- c) Unless there is a netting arrangement in place, it is possible to have both an asset and a liability with another branch.

Include:

- amounts due from head office, other branches of the same bank and related Canadian regulated financial institutions.

Other Instructions:

Amounts due from foreign affiliates of the bank should be treated as third party assets and reported separately in the appropriate balance sheet line items.

Please refer to the glossary section in this manual for the definition of "Regulated Financial Institution".

(b) Other

Include:

- accrued interest and dividends on Assets 3, 5, 6, 7, 8, 9, 10, and 13.
- stationery inventory if any;
- prepaid insurance, taxes and other prepaid expenses;
- all postage and other stamp inventories, if any, held in Canada and elsewhere;
- goodwill;
- intangibles with definite lives;
- intangibles with indefinite lives;
- future taxes if balance is a debit;
- sundry accounts receivable;
- recoverable tellers' shortages;
- recoverable losses arising from defalcations, hold-ups, robberies, etc.;
- foreclosed real estate and other long-lived assets acquired in the liquidation of a loan;
- shareholdings that are of a temporary nature because of a formal agreement for disposal of the institution's interest;
- securities of clubs and like local not for profit organizations purchased for other than investment purposes;
- unamortized discount, if any, on subordinated debt issued and outstanding;
- special pension fund payments that have not yet been charged to operating expenses;
- other payments, etc. that have not been charged to operating expenses;
- other expenditures that are to be charged to operating expenses at a later date;
- any interest in a partnership that is not in the form of a loan or marketable security;
- suspense balances relating to derivative instruments, including unrealized gains or losses if the balance is a debit;
- assets sold with recourse.

Other Instructions:

Dividends on term-preferred shares should be accounted for on the accrual basis, unless there are questions of collectability involved. Where collection is not in doubt, dividend income related to this type of preferred share should be accrued prior to the declaration of the dividends by the issuer.

Dividends on common shares and on preferred shares (other than term-preferred shares) should not be accrued until they are clearly payable by the issuer.

Interest on income debentures should be accounted for on the accrual basis, unless there are questions of collectability involved.

Goodwill is carried at the amount initially recognized less any writedown for impairment.

(ix) Other assets

Include:

- other assets not listed in the above categories.

(b) Third Party Assets – Institution **sponsored**/administered

General Instructions:

Report the average outstanding balances with which there are associated recourse provisions. The line references are the same as in section (a).

- (i) Credit card loans
- (ii) Automobile loans
- (iii) Personal loans
- (iv) Commercial loans
- (v) Lease receivables
- (vi) Residential mortgages, insured
- (vii) Residential mortgages, uninsured
- (viii) Non-residential mortgages
- (ix) Other assets

L 8 Insurance-Related Liabilities

Include:

- actuarial liabilities related to insurance products of subsidiary companies;
- actuarial liabilities related to annuity products of subsidiary companies;
- deferred gains or losses on disposal of portfolio investments (also referred to as adjustment in respect of unamortized gains or losses on investments) if the net balance is a credit;
- other insurance-related liabilities not reported elsewhere, including provisions for policyholder dividends and provisions for Experience Rating Refunds.

L 9 Other Liabilities

(a) Obligations Related to Borrowed Securities

Include:

- any liabilities related to borrowed securities (securities sold short).

(b) Obligations Related to Assets Sold Under Repurchase Agreements

Include:

- liabilities incurred under sale and repurchase agreements.

(c) Due to Head Office and related Canadian Regulated Financial Institutions (To be completed by foreign bank branches only)

General Instructions:

Report on a gross basis:

- Netting of assets and liabilities is only permissible in accordance with CICA 3860.34; and
- Amounts “due to/from” one branch cannot be used to offset amounts “due to/from” either head office or another branch of the same bank.
- Unless there is a netting arrangement in place, it is possible to have both an asset and a liability with another branch.

Include:

- amounts due to head office, other branches of the same bank and related Canadian regulated financial institutions.

Other Instructions:

Amounts due to foreign affiliates of the bank should be treated as third party liabilities and reported separately in the appropriate balance sheet line items.

(d) Other

Include:

- dividends accrued and payable and estimated accrual-to-date of the dividend for the current quarter;
- contributions of bank and staff payable to Unemployment Insurance Fund;
- unamortized premiums on **subordinated debt** outstanding;
- income taxes withheld from staff salaries, directors' fees, dividends, etc.;
- estimated accrual-to-date of contributions, current and arrears, payable to the pension fund **and other termination benefits** for the current year;

- interim net profit or loss of financial period if it has not yet been debited or credited to retained earnings;
- capital leases;
- allowance for impairment applicable to off-balance sheet items;
- suspense balances relating to derivative instruments including unrealized gains and losses if the net balance is a credit;
- accrued expenses and salaries and accounts payable;
- liability for assets sold with recourse;
- mortgages and other loans payable;
- financial instruments that relate to amounts reported as Tier 1 Capital in the G-3 but accounted for as liabilities. Include only preferred shares and amounts related to innovative tier 1 structures grandfathered under OSFI July 2003 and/or February 2004 Advisories
- estimated accrual to date of income taxes payable for the current year;
- future taxes if balance is credit;
- deferred fees, commissions and other revenues;
- deferred servicing fee income on mortgage-backed securities and other securitized assets;
- unearned safety deposit box rentals and safekeeping charges;
- other unearned income, except pre-computed interest on loans;
- accrued interest on deposits (Liabilities 1, 2 and 3);
- accumulated amortization of discounts on deposit instruments issued at a discount;
- interest accrued on subordinated debt (Liability 11);
- accrued interest on other liabilities as appropriate.

Other Instructions:

Gold and silver certificates are to be reported in net foreign currency assets spot position (Section V).

L 10 Non-Controlling Interests in Subsidiaries

Include:

- non-controlling interests arising from the consolidation of subsidiaries which are not 100% owned.

L 11 Subordinated Debt

Include:

- debentures;
- subordinated notes.

Other Instructions:

Unamortized discounts, if any, are to be reported under Asset 14.

Unamortized premiums, if any, are to be reported under Liability 9.

Report all amounts at par.

L 12 Shareholders' Equity

(a) Preferred Shares

Include:

- preferred shares issued by the institution.

(b) Common Shares

Include:

- common shares issued by the institution.

(c) Contributed Surplus

Include:

- premium on issues of shares less any payments of premium on redemption;
- capital contributions by shareholders without the issuance of shares.

(d) Retained Earnings

Include:

- interim profit (loss) not less frequently than at the end of each financial quarter.

(e) Foreign Currency Translation Adjustments

Include:

- cumulative foreign currency translation.

Note: Do not report foreign currency split for retained earnings. The entire balance of the amount is deemed to be Canadian currency.

SECTION II – CANADIAN DOLLAR LIABILITIES – MEMO ITEMS – DEPOSITS WITH INVESTMENT DEALER SUBSIDIARIES INCLUDED IN ABOVE

General Instructions:

Report the average balances included in each of the line items in Section II above. Note that the amounts reported here are for all investment dealer subsidiaries, and not only for those that were established business concerns acquired by banks subsequent to changes in the Bank Act in 1987.

SECTION III - SELECTED INFORMATION ON FOREIGN CURRENCY ASSETS

1. Deposits with Resident Regulated Financial Institutions, less allowance for impairment

(a) Acceptances

Include:

- foreign currency acceptances issued by other residents.

(b) Other balances

(i) Bearer term and other negotiable fixed-term deposits

Include:

- foreign currency deposits issued in bearer form or which can be transferred from the original purchaser without the issuing regulated financial institution being informed.

(ii) Other

Include:

- all other foreign currency deposits with resident regulated financial institutions not included in 1(a) or 1(b)(i) above.

**Manual of Reporting Forms and Instructions
for Deposit-Taking Institutions**

AMENDMENT CONTROL LOG

Consolidated Balance Sheet

Amendment Number	Effective Date	Page Number	Description
Please note that as of November 2002, all changes are highlighted:			
		17, 30	<u>Add:</u> ♦ (f) General Instructions ♦ (f) Other Instructions
		20, 32	<u>Add:</u> ♦ (i) – and other branches of the same bank <u>Delete:</u> ♦ First line under Other Instructions (4)(a)
7	November 2003	1	<u>Add:</u> ♦ Address for OSFI Website <u>Delete:</u> ♦ Reference to Beyond 20/20
		16	<u>Change:</u> ♦ Other instructions for Goodwill and Other Intangibles
8	November 2004	2, 16	<u>Change:</u> ♦ Goodwill and Other Intangibles has been changed to Goodwill <u>Add:</u> ♦ Intangibles with definite/indefinite lives
		3, 20, 21	<u>Add:</u> ♦ 5 (a) & (b) Foreclosed long-lived assets ‘Held for sale’ and ‘Held for own use’. (Reported Quarterly Fiscal only)
		5, 31	<u>Add:</u> ♦ 12 (e) Foreign Currency Translation Adjustments
		5, 32	<u>Add:</u> ♦ Memo item 5, Guarantees (Maximum potential amount of future payments, report quarterly fiscal only)
		6	<u>Delete:</u> ♦ Paragraph 6
		12, 14	<u>Delete:</u> ♦ 11(h), 12(b) Inclusion of real estate acquired in the liquidation of a loan
		17	<u>Change:</u> ♦ Real estate acquired in the liquidation of a loan has been changed to Foreclosed real estate and other long-lived assets acquired in the liquidation of a loan
		18	<u>Change:</u> ♦ Debentures has been changed to Subordinated debts
		19	<u>Change:</u> ♦ Third Party Assets – Institution administered has been changed to Third Party Assets – Institution sponsored/administered
		30	<u>Add:</u> ♦ “and other termination benefits” to fifth bullet under L9(d) Other ♦ financial instruments that relate to amounts reported as Tier 1 Capital....

CONSOLIDATED MONTHLY BALANCE SHEET

	FOREIGN CURRENCY	TOTAL
SECTION I - ASSETS		
1. Gold coin and gold and silver bullion		
2. Bank notes and other coin		
3. Not In Use		
4. Deposits with Bank of Canada		
5. Deposits with regulated financial institutions, less allowance for impairment		
6. Cheques and other items in transit (net)		
7. (a) Securities issued by Canada (i) Treasury Bills (ii) Other securities maturing within 3 years (iii) Other securities (b) Securities guaranteed by Canada (i) Securities maturing within 3 years (ii) Other securities (iii) Shares		
8. Securities issued or guaranteed by a Canadian province		
9. Securities issued or guaranteed by a Canadian municipal or school corporation		
10. Other securities, less allowance for impairment (a) Debt (b) Shares		
11. Non-Mortgage Loans, less allowance for impairment (a) Call and other short loans to investment dealers and brokers, secured (b) To regulated financial institutions (c) To Canadian federal government, provinces, municipal or school corps. (d) To foreign governments (e) Lease receivables (f) To individuals for non-business purposes (g) Reverse repurchase agreements (h) To individuals and others for business purposes		
12. Mortgages, less allowance for impairment (a) Residential (i) Insured (ii) Uninsured (b) Non-residential		
13. Customers' liability under acceptances, less allowance for impairment		
14. Land, buildings, and equipment, less accumulated depreciation		
15. Insurance-related assets (a) Policy loans (b) Premiums outstanding (c) Due from other insurers (d) Other		
16. Other assets (a) Accrued interest (b) Prepaid and deferred charges (c) Goodwill (d) Intangibles (i) with definite lives (ii) with indefinite lives (e) Future income taxes (f) Derivative related amounts (g) Due from Head Office and related Canadian regulated Financial Institutions (h) Other		
TOTAL ASSETS		

	FOREIGN CURRENCY	TOTAL
MEMO ITEMS		
1. Gold/silver assets included in assets		
(a) Gold/silver deposits with regulated financial institutions		
(b) Gold/silver securities		
(c) Gold/silver loans		
2. Allowance for impairment related to		
(a) Mortgage loans		
(b) Non-mortgage loans		
(c) Other		
3. Securitized Assets		
(a) Institution's own assets		
(i) Credit card loans		
(ii) Automobile loans		
(iii) Personal loans		
(iv) Commercial loans		
(v) Lease receivables		
(vi) Residential mortgages, insured		
(vii) Residential mortgages, uninsured		
(viii) Non-residential mortgages		
(ix) Other assets		
(b) Third Party Assets - Institution sponsored/administered		
(i) Credit card loans		
(ii) Automobile loans		
(iii) Personal loans		
(iv) Commercial loans		
(v) Lease receivables		
(vi) Residential mortgages, insured		
(vii) Residential mortgages, uninsured		
(viii) Non-residential mortgages		
(ix) Other assets		
4. Selected information to be completed by Foreign Bank Branches only		
(a) Due from Head Office and related Canadian regulated Financial Institutions		
(i) Head Office		
(ii) Related Canadian regulated Deposit-Taking Institutions		
(iii) Related Canadian regulated Financial Institutions		
(b) Claims on residents of the Home Country		
(i) Securities		
(ii) Loans		
(iii) Other		
5. Foreclosed long-lived assets acquired in the liquidation of a loan (report quarterly fiscal only)		
(a) Held for sale		
(i) Fair value less cost to sell (at foreclosure)		
(ii) Write-downs		
(iii) Carrying amount		
a) Real estate		
b) Other		
(b) Held for own use		
(i) Fair value (at foreclosure)		
(ii) Write-downs		
(iii) Carrying amount		
a) Real estate		
b) Other		

	FOREIGN CURRENCY	TOTAL
9. Other liabilities		
(a) Accrued interest		
(b) Mortgages and loans payable		
(c) Income taxes		
(i) Current		
(ii) Future		
(d) Obligations related to borrowed securities		
(e) Obligations related to assets sold under repurchase agreements		
(f) Deferred income		
(g) Derivative-related amounts		
(h) Due to Head Office and related Canadian regulated Financial Institutions		
(i) Other		
10. Non-controlling interests in subsidiaries		
11. Subordinated debt		
12. Shareholders' equity		
(a) Preferred shares		
(b) Common shares		
(c) Contributed surplus		
(d) Retained earnings		
(e) Foreign currency translation adjustments		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		

<u>MEMO ITEMS</u>		
1. Gold/silver certificates included in other liabilities		
2. Allowance for impairment on off-balance sheet items included in other liabilities		
3. Electronic Cash Cards included in cheques and other items in transit		
4. Selected information to be completed by Foreign Bank Branches only		
(a) Due to Head Office and related Canadian regulated Financial Institutions		
(i) Head Office		
(ii) Related Canadian regulated Deposit-Taking Institutions		
(iii) Related Canadian regulated Financial Institutions		
5. Guarantees (Maximum potential amount of future payments, report quarterly fiscal only)		

GENERAL INSTRUCTIONS

The form of the consolidated balance sheet is identical for all institutions regardless of size and type. Consequently, certain balance sheet categories may not be applicable to some institutions because of the nature of their operations.

Where these instructions indicate that a certain category includes particular items, the particular items listed do not limit the generality of the heading but indicate the kind of items that are to be reported there.

Assets under administration are not to be included in the balances reported on this return.

Assets are to be reported net of the allowance for impairment, if any.

All allowances are to be netted from the appropriate assets in the same currency in which the relevant assets are denominated, regardless of whether the allowances are booked in Canadian or foreign currency. Where allowances for impairment against groups of loans have been established against assets denominated in both Canadian dollars and foreign currency, the allowances should be allocated proportionately according to the gross amounts of the assets outstanding in the various currencies.

Interest should be accrued on loans; the accrual is to be included in Asset 16. Debts purchased at a premium or discount are to be reported net of the premium or discount. The net reported amount of such loans will be increased or decreased as the discounts or premiums are taken into income over the term of the loan. Fixed-term loans on which the interest for the term is pre-computed and added to the principal are to be reported net of the pre-computed interest.

Deposits with regulated financial institutions include all non-interest-bearing balances and interest-bearing balances, including correspondent relationships in Canada and elsewhere placed in the normal course of market trading where the only documentation exchanged is a confirmation of contract and the rates applied are the bid and offer of the market.

Insurance-related Assets comprise certain asset categories from Insurance Subsidiaries that do not readily fall into the asset categories used in institution financial statements. Examples are given in the detailed instructions for Asset 15.

Assets of Insurance Subsidiaries such as securities and mortgages that readily fall into the asset categories used by institutions are to be reported in these categories.

All amounts are to be expressed in thousands of Canadian dollar equivalents.

Other Instructions:

Loans to separately constituted boards or commissions that have borrowing authority and that carry on business enterprises are to be included under Asset 11(h).

(e) Lease Receivables

Exclude:

- conditional sales contracts (See Assets 11(f) and 11(h)).

(f) To Individuals for Non-Business Purposes

Include:

- outstanding balance under a credit card plan;
- loans granted under an institution's personal loan plan;
- conditional sales contracts to finance the acquisition of personal goods and services;
- overdrafts in individuals' deposit accounts under Liability 1(d), 2(a)(iv) and 2(b)(iv) and overdrafts in tax accounts related to residential mortgages;
- bridge financing loans associated with residential properties;
- government-guaranteed loan plans for individuals;
- loans to individuals secured by stocks and bonds;
- other loans to individuals for non-business purposes not included above.

(g) Reverse Repurchase Agreements

Include:

- reverse repurchase agreements

(h) To Individuals and Others for Business Purposes

Include:

- loans to government and municipal boards and commissions that are separately constituted and carry on business enterprises;
- loans to religious, charitable and welfare organizations, hospitals and private schools;
- loans, excluding loans to individuals for non-business purposes, guaranteed in whole or in part by Canada, a province or a municipality;
- securities acquired in the liquidation of a loan and held pending disposal or transfer to the Investment Account of the institution;
- except where offset is provided for in these instructions, other overdrafts in deposit accounts under Liability 1 or 2 and not reported elsewhere;
- acceptances of the institution purchased and held as loans that are those of corporate customers and those that were originally drawn by provinces or by municipal or school corporations;
- amount of partial participation in a loan made by another institution where recourse for reimbursement is against the lending institution only and limited to a share of the proceeds from the realization of the loan in proportion to the participation;
- accounts receivable factored;
- collateral mortgages;

(a) Residential

(i) Insured

Include:

- advances as well as completed loans insured under NHA or other insurance companies/agencies.

Exclude:

- mortgages that cease to be insured.

(ii) Uninsured

Include:

- advances as well as completed loans;
- real estate acquired in the liquidation of a loan previously reported in this category and held pending completion of arrangements for disposal or transfer to Asset 14 or 16.

(b) Non-residential

Include:

- advances as well as completed loans for commercial, farm and industrial mortgages.

A 13 Customers' Liability Under Acceptances, Less Allowance for Impairment

Include:

- Acceptances of the institution.

Other Instructions:

Acceptances of the institution when purchased and held are to be reported under Asset 11(h) with a corresponding reduction in Asset 13 and Liability 6, if previously reported in these categories.

Refer to Liability 6.

A 14 Land, Buildings and Equipment, Less Accumulated Depreciation

Include:

- land, buildings, furniture and equipment;
- leasehold improvements that are to be written off during the term of a lease;
- capital leases;
- interest capitalized during the period of construction of major projects;
- former institution premises no longer used as such;
- in "accumulated depreciation",

Other Instructions:

Dividends on term-preferred shares should be accounted for on the accrual basis, unless there are questions of collectability involved. Where collection is not in doubt, dividend income related to this type of preferred share should be accrued prior to the declaration of the dividends by the issuer.

Dividends on common shares and on preferred shares (other than term-preferred shares) should not be accrued until they are clearly payable by the issuer.

Interest on income debentures should be accounted for on the accrual basis, unless there are questions of collectability involved.

(b) Prepaid and Deferred Charges

Include:

- stationery inventory if any;
- prepaid insurance, taxes and other prepaid expenses;
- all postage and other stamp inventories, if any, held in Canada and elsewhere.

(c) Goodwill

Other Instructions:

Goodwill is carried at the amount initially recognized less any writedown for impairment.

(d) Intangibles

(i) with definite lives

Include:

- core deposit intangibles;
- customer lists and relationships;
- mortgage servicing rights;
- other intangibles

Other Instructions:

Less deductions for amortization charges.

(ii) with indefinite lives

Other Instructions:

Carried at amount initially recognized less any writedown for impairment.

(e) Future Income Taxes

Include:

- future taxes if balance is a debit.

(f) Derivative Related Amounts

Include:

- amounts relating to derivative instruments, including unrealized gains (losses are to be offset against gains only as permitted by Section 3860 of the CICA Handbook), deferred losses on hedging instruments, margin requirements and premiums paid.

Exclude:

- for Foreign Bank Branches only, derivative related amounts with head office, or other branches of the same bank (see Asset 16(f)).

(g) Due from Head Office and related Canadian regulated Financial Institutions (to be completed by Foreign Bank Branches only)

General Instructions:

Report on a gross basis:

- a) Netting of assets and liabilities is only permissible in accordance with CICA 3860.34; and
- b) Amounts "due to/from" one branch cannot be used to offset amounts "due to/from" either head office or another branch of the same bank.
- c) Unless there is a netting arrangement in place, it is possible to have both an asset and a liability with another branch.

Include:

- amounts due from head office, other branches of the same bank and related Canadian regulated financial institutions.

Other Instructions:

Amounts due from foreign affiliates of the bank should be treated as third party assets and reported separately in the appropriate balance sheet line items.

The sum of the amounts reported on asset memo item lines 4(a)(i), (ii) and (iii) must equal the total amount reported in asset 16(f).

Please refer to the glossary section in this manual for the definition of "Regulated Financial Institution".

(h) Other

Include:

- sundry accounts receivable;
- recoverable tellers' shortages;
- recoverable losses arising from defalcations, hold-ups, robberies, etc.;
- foreclosed real estate and other long-lived assets acquired in the liquidation of a loan;
- shareholdings that are of a temporary nature because of a formal agreement for disposal of the institution's interest;

- securities of clubs and like local not for profit organizations purchased for other than investment purposes;
- unamortized discount, if any, on **subordinated debt** issued and outstanding;
- special pension fund payments that have not yet been charged to operating expenses;
- other payments, etc. that have not been charged to operating expenses;
- other expenditures that are to be charged to operating expenses at a later date;
- any interest in a partnership that is not in the form of a loan or marketable security;
- assets sold with recourse.

MEMO ITEMS

(1) Gold/silver Assets Included in Assets

(a) Gold/silver Deposits with Regulated Financial Institutions

Include:

- all gold/silver and other precious metals deposits with regulated financial institutions included in Asset 5.

(b) Gold/silver Securities

Include:

- gold/silver and other precious metals securities included in Assets 7, 8, 9 and 10.

(c) Gold/silver Loans

Include:

- gold/silver and other precious metals loans included in Asset 11.

(2) Allowance for Impairment Related to

(a) Mortgage Loans

Include:

- the total allowance for impairment, individual and other, for loans reported in Asset 12.

(b) Non-Mortgage Loans

Include:

- the total allowance for impairment, individual and other, for loans reported in Asset 11.

(c) Other

Include:

- the total allowance for impairment, individual and other, for assets reported in Assets 5, 9, 10, 13, 15 and 16.

(3) Securitized Assets

General Instructions:

Report the outstanding balances for the current and prior periods.

(a) Institution's own assets

- (i) Credit card loans
Include:
 - credit card loans that otherwise would be reported in Asset 11.
 - (ii) Automobile loans
Include:
 - automobile loans that otherwise would be reported in Asset 11.
 - (iii) Personal loans
Include:
 - personal loans that otherwise would be reported in Asset 11.
 - (iv) Commercial loans
Include:
 - commercial loans that otherwise would be reported in Asset 11.
 - (v) Lease receivables
Include:
 - lease receivables that otherwise would be reported in Asset 11.
 - (vi) Residential mortgages, insured
Include:
 - residential mortgages, insured that otherwise would be reported in Asset 12.
 - (vii) Residential mortgages, uninsured
Include:
 - residential mortgages, uninsured that otherwise would be reported in Asset 12.
 - (viii) Non-residential mortgages
Include:
 - non-residential mortgages that otherwise would be reported in Asset 12.
 - (ix) Other assets
Include:
 - other assets not listed in the above categories.
- (b) Third Party Assets - Institution **sponsored**/administered

General Instructions:

Report the outstanding balances with which there are associated recourse provisions for the current and prior periods. The line references are the same as in section (a).

- (i) Credit card loans
- (ii) Automobile loans
- (iii) Personal loans
- (iv) Commercial loans
- (v) Lease receivables
- (vi) Residential mortgages, insured
- (vii) Residential mortgages, uninsured
- (viii) Non-residential mortgages
- (ix) Other assets

(4) Selected information to be completed by Foreign Bank Branches only

(a) Due from Head Office and related Canadian regulated Financial Institutions

(i) Head Office

Include:

- all amounts due from Head Office and other branches of the same bank included in asset 16(f).

(ii) Related Canadian regulated deposit-taking institutions

Include:

- all amounts due from related Canadian regulated Deposit-Taking Institutions included in asset 16(f).

(iii) Related Canadian regulated financial institutions

Include:

- all amounts due from related Canadian regulated Financial Institutions included in asset 16(f).

Other Instructions:

Please refer to the glossary section in this manual for the definition of Deposit-Taking Institutions and Financial Institutions.

(b) Claims on residents of the Home Country included in Assets

(i) Securities

Include:

- all securities on residents of the home country included in asset 10.

(ii) Loans

Include:

- all loans on residents of the home country included in assets 11 and 12.

(iii) Other

Include:

- all other claims on residents of the home country included in assets 5, 13, 15 and 16.

(5) Foreclosed long-lived assets acquired in liquidation of a loan (Report quarterly fiscal only. Monthly reporting between fiscal quarter-ends, is not required.)

(a) Held for sale

(i) Fair Value less cost to sell (at foreclosure)

(ii) Write-downs

(iii) Carrying amount

- a) Real estate
- b) Other

Other Instructions:

See Handbook paragraphs 3025.40 and 3475.30.

(b) Held for own use

- (i) Fair value (at foreclosure)**
- (ii) Write-downs**
- (iii) Carrying amount**
 - c) Real estate**
 - d) Other**

Other Instructions:

See Handbook paragraphs 3025.40 and 3475.04.

LIABILITIES

General Instructions:

Include in the appropriate deposit category, liabilities of subsidiaries that are similar in nature and characteristics to, and that, if issued by the institution, would rank equally with deposit liabilities of the institution.

Liabilities of subsidiaries other than those reported under Liability 1, 2 or 3 and other than those that by their nature should be reported under Liability 8 or 9 are to be reported under Liability 7.

Deposits from an associated corporation that is a foreign deposit-taking institution are to be reported under Liability 1(c), 2(a)(iii), 2(b)(iii) or 3(c), as appropriate, and deposits from any other associated corporation are to be reported under Liability 1(e), 2(a)(v), 2(b)(v) or 3(e), as appropriate.

Except where offset is provided for in these Instructions, overdrafts in Liability 1 or 2 are to be included in the appropriate asset category.

Debit items should not be used to reduce reported deposit liabilities unless the charge has been shown in the customer's account as of the same date.

- (h) Due to Head Office and related Canadian regulated Financial Institutions (to be completed by Foreign Bank Branches only)

General Instructions:

Report on a gross basis:

- a) Netting of assets and liabilities is only permissible in accordance with CICA 3860.34; and
- b) Amounts “due to/from” one branch cannot be used to offset amounts “due to/from” either head office or another branch of the same bank.
- c) Unless there is a netting arrangement in place, it is possible to have both an asset and a liability with another branch.

Include:

- amounts due to head office, other branches of the same bank and related Canadian regulated financial institutions.

Other Instructions:

Amounts due to foreign affiliates of the bank should be treated as third party liabilities and reported separately in the appropriate balance sheet line items.

The sum of the amounts reported on liability memo item lines 4(a)(i), (ii) and (iii) must equal the total amount reported in liability 9(h).

- (i) Other

Include:

- foreign note circulation outstanding;
- dividends accrued and payable and estimated accrual-to-date of the dividend for the current quarter;
- contributions of institution and staff payable to Unemployment Insurance Fund;
- unamortized premiums on subordinated debt outstanding;
- income taxes withheld from staff salaries, directors' fees, dividends, etc.;
- estimated accrual-to-date of contributions, current and arrears, payable to the pension fund **and other termination benefits** for the current year;
- interim net profit or loss of financial period if it has not yet been debited or credited to retained earnings;
- gold and silver certificates;
- capital leases;
- allowance for impairment applicable to off-balance sheet items;
- accrued expenses and salaries and accounts payable;
- liability for assets sold with recourse;
- **financial instruments that relate to amounts reported as Tier 1 Capital in the G-3 but accounted for as liabilities. Include only preferred shares and amounts related to innovative tier 1 structures grandfathered under OSFI July 2003 and/or February 2004 Advisories.**

L 10 Non-Controlling Interests in Subsidiaries

Include:

- non-controlling interests arising from the consolidation of subsidiaries which are not 100% owned.

L 11 Subordinated Debt

Include:

- debentures;
- subordinated notes.

Other Instructions:

Report all amounts at par.

Unamortized discounts, if any, are to be reported under Asset 16.

Unamortized premiums, if any, are to be reported under Liability 9.

L 12 Shareholders' Equity

(a) Preferred Shares

Include:

- preferred shares issued by the institution.

(b) Common Shares

Include:

- common shares issued by the institution.

(c) Contributed Surplus

Include:

- premium on issues of shares less any payments of premium on redemption;
- capital contributions by shareholders without the issuance of shares.

(d) Retained Earnings

Include:

- interim profit (loss) not less frequently than at the end of each financial quarter.

Note: Do not report foreign currency split for retained earnings. The entire balance of the amount is deemed to be Canadian currency.

(e) Foreign Currency Translation Adjustments

Include:

- cumulative foreign currency translation

MEMO ITEMS

(1) Gold/silver Certificates Included in Other Liabilities

Include:

- the total amount of gold/silver and other precious metals certificates and deposits from other financial institutions included in Liability 9 - Other Liabilities.

(2) Allowance for Impairment on Off-Balance Sheet Items Included in Other Liabilities

Include:

- the total amount of allowances for impairment, individual and other, on off-balance sheet items included in Liability 9.

(3) Electronic Cash Cards included in cheques and other items in transit

Include:

- the total amount of electronic cash cards included in Liability 4 - Cheques and Other Items In Transit (Net). If the net transit figure is reported as a debit (Asset 6) report the appropriate credit balance for electronic cash cards.

(4) Selected information to be completed by Foreign Bank Branches only

(a) Due to Head Office and related Canadian regulated Financial Institutions

(i) Head Office

Include:

- all amounts due to Head Office and other branches of the same bank included in liability 9(h).

(ii) Related Canadian regulated deposit-taking institutions

Include:

- all amounts due to related Canadian regulated Deposit-Taking Institutions included in liability 9(h).

(iii) Related Canadian regulated financial institutions

Include:

- all amounts due from related Canadian regulated Financial Institutions included in liability 9(h).

(5) Guarantees – Maximum potential amount of future payments (Report quarterly fiscal only. Monthly reporting between fiscal quarter-ends, is not required.)

Include:

- backstop liquidity facilities
- credit derivatives/written put options – restricted to non-trading only
- financial standby letters of credit/performance guarantees
- credit enhancements
- stable value products* (GICs, other similar investment grade fixed income securities) *Stable value products generally offer book value protection primarily to plan sponsors of certain pension plans.
- recourse associated with mortgage loans sold
- other (Documentary L/Cs, forward assets purchased)

**Manual of Reporting Forms and Instructions
for Deposit-Taking Institutions**

AMENDMENT CONTROL LOG

Capital Adequacy Return

Amendment Number	Effective Date	Page Number	Description
Please note that as of November 2002, all changes are highlighted:			
7	November 2004	3	<u>Add:</u> ♦ Foreign Currency Translation Adjustment ♦ Trading in short positions of own shares (gross) ♦ Three memo items
		8	<u>Add:</u> ♦ Asset Securitization Commitments ♦ Footnote

CAPITAL ELEMENTS		CAR 2
Tier 1		
Common shares		
Contributed surplus		
Retained earnings		
Foreign currency translation adjustment		
Non-cumulative perpetual preferred shares		
Innovative instruments included in Tier 1 capital		Y
Non-controlling Tier 1 interests in subsidiaries (excluding innovative Tier 1)		
Common equity		
Non-cumulative perpetual preferred shares		
Gross Tier 1 capital		
Deduct:		
Intangible assets in excess of limit		L
Goodwill		M
Trading in short position of own shares (gross)		
For future use		
Net Tier 1 capital		D
Tier 2A		
Preferred shares		
Subordinated debt (Qualifying 99-year debentures)		
Eligible general allowance		Z
Non-controlling interests in subsidiaries (hybrid capital instruments)		
Gross Tier 2A capital		AA
Tier 2B		
Preferred shares		
Subordinated debt		
Non-controlling interests in subsidiaries (subordinated term instruments)		
Gross Tier 2B capital		AB
Gross Tier 2 Capital	AA+AB	
Deduct: For future sue		
Net Tier 2 Capital		AC
Total Tier 1 and 2 Capital	D+AC	
Deduct:		
Investments in unconsolidated subsidiaries / substantial investments		N
Other facilities treated as capital		O
Back-to-back inter-institutional placements of new capital issues		P
First loss protection		Q
Other		AD
Total capital	(D+AC)-(N+O+P+Q+AD)	E

Note: Tier 2 instruments should be reported net of amortization; attach details of amortization calculation

Limitations		
Net Tier 2 Capital as a % of Net Tier 1 Capital	(AC÷D)x100	
Gross Tier 2B Capital as a % of Net Tier 1 Capital	(AB÷D)x100	
Innovative Instruments included in Tier 1 Capital as a % of Net Tier 1 Capital	(Y÷D)x100	

Memo Items

Financial instruments included in Tier 1 capital, accounted for as liabilities or not consolidated, but grandfathered under OSFI July 2003 and/or February 2004 Advisories, and reported above in:		
Non-cumulative perpetual preferred shares (datapoint 0322)		
Innovative instruments (datapoint 2289)		
Non-controlling interests – Non cumulative perpetual preferred shares (0522)		

						CAR 3
On-balance sheet assets	Risk-Weighting	Balance	Adjustment for Collateral	Adjustment for Guarantees	Net Assets	Net Risk-Weighted Assets
Gold coin and gold and silver bullion	100%					
	20%					
	0%					
Bank notes and other coin	0%					
Deposits with Bank of Canada	0%					
Deposits with regulated financial institutions, less allowance for impairment						
(a) OECD central banks	0%					
(b) Non-OECD central banks denominated and funded in local currency	0%					
(c) OECD banks and Canadian deposit-taking institutions	20%					
	0%					
(d) Non-OECD banks with residual maturity 1 year and less	20%					
	0%					
(e) Other	100%					
	20%					
	0%					
Cheques and other items in transit (net)	20%					
	0%					
Securities issued or guaranteed by Canada	0%					
Securities issued or guaranteed by a Canadian province or territory	0%					
Securities issued or guaranteed by a Canadian municipal or school corporation	20%					
	0%					
Other securities, less allowance for impairment	100%					
	50%					
	20%					
	0%					
Non-mortgage loans, less allowance for impairment						
(a) call and other short loans to investment dealers and brokers, secured	100%					
	20%					

CAR 4

Instrument	Nominal Principal Amount (1)	Credit Conversion Factor (2)	Risk-Weight (3)	Risk Weighted Equivalent (1x2x3)
Asset Securitization Commitments – Eligible liquidity facilities ¹				
- with general market disruption clause		0%	0%	
- without general market disruption clause		10%	100%	
Other commitments		0%	0%	
		50%	0%	
		50%	20%	
		50%	100%	
Derivative contracts (Appendix II)				
Interest rate contracts				
Foreign exchange and gold contracts				
Equity-linked contracts				
Precious metals (other than gold contracts)				
Other commodity contracts				
Total off-balance sheet exposures				B

¹ Effective on implementation of the 2004 revisions to Guideline B-5

Manual of Reporting Forms and Instructions for Deposit-Taking Institutions

AMENDMENT CONTROL LOG

Charge for Impairment

Amendment Number	Effective Date	Page Number	Description
Please note that throughout this Tab, the following changes are all identified by a sidebar:			
1	November 1999	1	<u>Add:</u> ♦ Section 600 of the Bank Act (applies to Foreign Bank Branches) <u>Change:</u> ♦ Section 523 of the Bank Act is now Section 628
2	November 2004	2, 3	<u>Delete:</u> ♦ Country Risk Allowances

CHARGE FOR IMPAIRMENT REPORT

INDIVIDUAL ALLOWANCES	RESIDENT	NON-RESIDENT	TOTAL
1. Deposits with Regulated Financial Institutions			
2. Securities			
3. Non-Mortgage Loans			
(a) Financial Institutions			
(b) Foreign Governments			
(c) Lease Receivables			
(d) Individuals for Non-Business Purposes			
(i) Credit Card Loans			
(ii) Personal Loans			
(e) Individuals and Others for Business Purposes			
(i) Public			
(ii) Private			
(A) Agriculture			
(B) Fishing and Trapping			
(C) Logging and Forestry			
(D) Mining, Quarrying and Oil Wells			
(E) Manufacturing			
(F) Construction and Real Estate			
(G) Transportation, Communication, Other Utilities			
(H) Wholesale Trade			
(I) Retail			
(J) Service			
(K) Multi-Product Conglomerates			
(L) Others			
(f) Reverse Repurchase Agreements			
4. Mortgage Loans			
(a) Residential			
(b) Non-residential			
5. Other On-Balance Sheet Assets			
6. Off-Balance Sheet Assets			
TOTAL INDIVIDUAL ALLOWANCES			
GROUP ALLOWANCES			
TOTAL CHARGE FOR IMPAIRMENT CHARGED TO THE CONSOLIDATED STATEMENT OF INCOME AND EXPENSES			

GENERAL INSTRUCTIONS

The asset references in this report are consistent with the "Monthly Balance Sheet" unless stated otherwise.

The detail reporting is only for the individual allowances. Group allowances are reported as a single line item.

The reporting of individual allowances for non-mortgage loans to individuals and others for business purposes (line 3(e)) follows the 1980 Statistics Canada Standard Industrial Classification (SIC) to identify the borrowers.

The report requires a resident and non-resident split.

Non-residents are individuals, corporations or other organizations (including international and other extra-territorial agencies) not ordinarily resident in Canada. Residential status is to be determined by reference to the recorded address of the individual, corporation or other organization, unless the institution knows that the residential status is different from the recorded address.

The report must reconcile to the sum of the charge for impairment on the quarterly allowance for impairment report.

All amounts are to be expressed in thousands of dollars.

1. Deposits with Regulated Financial Institutions

Report individual allowances relating to Asset 5.

2. Securities

Report individual allowances relating to Asset 10.

3. Non-Mortgage Loans

- (a) Financial Institutions**
- (b) Foreign Governments**
- (c) Lease Receivables**

Report individual allowances relating to Asset 11(b), (d) and (e).

(d) Individuals for Non-Business Purposes

Report individual allowance for credit card loans and personal loans separately. Total of the two lines related to Asset 11(f).

(e) Individuals and Others for Business Purposes

Report individual allowances for every line. The total of all lines relate to Asset 11(h). The lines (i) and (ii)(A) to (L) are consistent with those on the Non-Mortgage Loans Return.