

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

AMENDMENT CONTROL LOG

Electronic Filing

Amendment Number	Effective Date	Page Number	Description
Please note that throughout this Tab, the following changes are all identified by a sidebar:			
6	January 2005	Table of contents	<u>Add:</u> ◆ Record layout for “.Tape” files.
		13, 14, 15	<u>Add:</u> ◆ Record layout for “.Tape” files.
		25	<u>Change:</u> ◆ Return names for consistency <u>Delete:</u> ◆ Assets Under Administration (J3) ◆ Capital Continuity (D3) ◆ Financial Highlights (T3) ◆ Foreign Exchange Position (E4) Tax Information (T1)
7	January 2006	9	<u>Change:</u> ◆ Update OSFI web site address
		25	<u>Add:</u> ◆ Selected Structural Statistics (Y3) <u>Delete:</u> ◆ Mortgage Approvals-Canada (G4) ◆ Government of Canada Securities (SC) ◆ Mortgage Approvals-Provincial (V2)
	January 2007	4, 9	<u>Change:</u> ◆ Update file location on ADT website

3.1 Preparing Conventional (Non geographical) Return Data

Two options are available to create data files

1. Creating ASCII files using Excel templates with macros

Excel spreadsheets for each return are available for downloading from the ADT web site under the directory templates_modèles/English. These spreadsheets include macros which convert the data into ASCII format. Instructions for creating the ASCII files to transmit to the Bank of Canada are found in the document *Macro_instructions_E_2005.pdf* in the directory *instructions/English*. See page 19 of this manual on how to download instructions, templates and files.

2. Creating ASCII files manually

This section describes the standards which must be adhered to when creating files containing conventional return data, which will be transmitted to the Bank of Canada over the Internet (Section 4). (Section 3.2 describes the standards for files containing data for the geographical return.) **Please note that the formats specified below should be strictly adhered to; otherwise, the Bank of Canada will not be able to process the files.** All return data including arithmetic totals and other data relationships should be verified before data are transmitted to the Bank of Canada.

The specifications given below define the characteristics of the data to be submitted and have been designed to be as generic as possible. The American Standard Code for Information Interchange (ASCII) is used as the data representation standard. ASCII can be generated by spreadsheet based systems and by systems developed in more traditional mainframe or micro-computer-based programming environments.

3.2 Preparing Geographical Return Data

Two options are available to create data files

1. Creating ASCII files using Excel templates with macros

Excel spreadsheets for geographical returns (except the GR) are available for downloading from the ADT web site under the directory *templates_modèles/English*. These spreadsheets include macros which convert the data into ASCII format. Instructions for creating the ASCII files to transmit to the Bank of Canada are found in the document *Macro_instructions_E_2005.pdf* in the directory *instructions/English*. See page 19 of this manual on how to download instructions, templates and files.

The geographical templates for monthly variables (GM.XLS) and quarterly variables (GQ.XLS) have a different format than the conventional templates. The accounting categories being reported must be selected. The country codes and the names of the accounting categories are explained in the Manual of Reporting Forms and Instructions on the OSFI web site http://www.osfi-bsif.gc.ca/osfi/index_e.aspx?DetailID=520 under *Manual of Reporting Forms and Instructions* (table of contents), select Geographical Assets and Liabilities booked in Canada (GM/GQ).

Please remember to submit complete (i.e. not partial) returns when filing geographical returns (both new and corrections). Those banks which traditionally submit large geographical return data using the “.tape” format may continue to do so. See record layout on page 13.

Manual of Reporting Forms and Instructions for Deposit-Taking Institutions

AMENDMENT CONTROL LOG

Monthly Average Return of Assets and Liabilities

Amendment Number	Effective Reporting Date	Page Number	Description
Please note that throughout this Tab, the following changes are all identified by a sidebar:			
9	November 2006 for October Year end DTI's and January 2007 for December Year end DTI's.	4, 21	<u>Change:</u> ◆ On balance sheet and Off balance sheet to Recognized and Unrecognized.
		6, 32	<u>Delete:</u> ◆ Foreign currency translation adjustment <u>Add:</u> ◆ Accumulated other comprehensive income (loss)
		11	<u>Delete:</u> ◆ Wording (reported at amortized cost) under Asset 3
		12	<u>Change:</u> ◆ Securities held for Investment Account to Securities held at Amortized Cost and instructions ◆ Securities held for Trading Account to Securities Held at fair value and instructions
		12, 29	<u>Change:</u> ◆ Instructions for Cheques and other items in transit
		13	<u>Change:</u> ◆ Other instructions for Asset 8
		19, 30	<u>Change:</u> ◆ CICA 3860.34 to CICA Handbook S.3861 for Asset 14 and Liability 9(c)a)

		MONTH OF _____ \$ 000
		Recognized
		Unrecognized
SECTION I - CANADIAN DOLLAR ASSETS – MEMO ITEMS		
1. 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		
2. Securitized residential mortgages (bank originated conduits) included in securities		

	MONTH OF _____ \$ 000
4. Cheques and other items in transit	
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) Accumulated other comprehensive income (loss)	
TOTAL CANADIAN CURRENCY LIABILITIES AND SHAREHOLDERS' EQUITY	

SECTION I - CANADIAN DOLLAR ASSETS

A 1 Bank of Canada Notes and Canadian Coin

Include:

- Bank of Canada notes on hand;
- Canadian coin on hand.

Other Instructions:

Notes on hand include those in transit between any units of the institution. Coin on hand includes that in transit between any units of the institution. Units of the institution include any branches or offices of the institution's subsidiaries. U.S. coin in circulation in Canada need not be segregated from Canadian coin unless amounts are material.

A 2 Deposits With Bank of Canada

Include:

- all completed deposit transactions with Bank of Canada, including Large-Value Transfer System (LVTS), Special Deposit Account (SDA) and Automated Clearing and Settlement System (ACSS) component balances.

Other Instructions:

- component deposit balances used to produce total deposits at the Bank of Canada must agree with the balance reports provided by the Bank of Canada at reporting date.

A 3 Deposits With Regulated Financial Institutions Less Allowance for Impairment

Acceptances purchased and other balances are to be reported separately and classified between those issued by resident and non-resident regulated financial institutions.

Include:

- non-interest-bearing demand deposit balances with other regulated financial institutions;
- interest-bearing deposit balances;
- interest-bearing accounts that are correspondent relationships in Canada and elsewhere, except those with the Bank of Canada;
- deposits with foreign central banks or foreign official monetary institutions;
- term deposits with other regulated financial institutions for investment purposes;
- certificates of deposit of other regulated financial institutions purchased.

Exclude:

- deposits with Bank of Canada.

Other Instructions:

Overdrafts in deposit accounts with regulated financial institutions, which are deposit-taking, are to be included in Liability 1(c) - Demand Deposits of Deposit-taking Institutions.

Overdrafts in deposit accounts of and loans to regulated financial institutions, including loans to foreign central banks or foreign official monetary institutions are to be included in Asset 9(b) Non-Mortgage - Loans to Regulated Financial Institutions.

A 4 Cheques and Other Items in Transit

For items that meet the criteria for offsetting in accordance with CICA Handbook S. 3861, report the net balance (when that balance is a debit) of all accounts representing outstanding inter-institution and inter-branch entries, settlements and other items in transit.

A 5, 6, 7, 8

Securities

General Instructions:

Government of Canada securities are to be reported on the basis of remaining term-to-maturity.

Securities Held at Amortized Cost:

Securities held at amortized cost, including those classified as Held to Maturity under CICA Handbook S. 3855.19(g), should be accounted for in accordance with generally accepted accounting principles (GAAP) and should be reported at amortized cost.

Securities Held at Fair Value:

Securities accounted for as Held for Trading (CICA Handbook S. 3855.19(f)(i)), Available for Sale (CICA Handbook S. 3855.19(i), Fair Value Hedge (CICA Handbook S. 3855.07(c)), and securities designated as Held for Trading ("Fair Value Option") (CICA Handbook S. 3855.19(f)(ii)), should be fair valued in accordance with GAAP. Items classified as Available for Sale are to be reported net of any allowance for impairment.

Amortization - see Glossary

Where these Instructions provide optional methods of computing amortization, the practices followed by the institution should be consistent.

The classification of securities issued by provinces, municipalities, school corporations and others between short- and long-term is to be done on the basis of original term to maturity; that is, by reference to the issue date and the maturity date of the security. Those securities which have an original term to maturity of one year or less are to be classified as short-term, while securities with longer terms are to be classified as long-term.

A 5 Securities Issued or Guaranteed by Canada

- (a) Treasury Bills
- (b) Other Securities Maturing Within Three Years
- (c) Other Securities

Include:

- securities issued by provinces, municipal and school corporations and others that are guaranteed by Canada.

A 6 Securities Issued or Guaranteed by a Canadian Province

Include:

- provincial Treasury Bills and like evidence of indebtedness;
- securities issued by a territory;
- municipal and school securities or any other securities guaranteed by a province or territory.

A 7 Securities Issued or Guaranteed by Municipal or School Corporations in Canada

Include:

- securities of school commissions, boards and districts;
- securities of municipal public utilities; and
- municipal Treasury Bills and like evidence of indebtedness.

A 8 Other Securities, Less Allowance for Impairment

- (a) Short-term debt
- (b) Long-term debt

Include in (a) or (b) as appropriate:

- corporate promissory notes and other bills of exchange or instruments commonly referred to as commercial paper for investment purposes other than institution acceptances drawn by others;
- income debentures;
- small business development bonds;
- small business bonds;
- securities not reported elsewhere.
- Retained interests

Other instructions:

Retained interests are assets that arise on the date related assets (receivables) are sold to a special purpose entity and securitized. These assets are retained by the selling institution and they are related to the assets sold to the SPE. Retained interests also include any purchased beneficial interests from third parties. They include interest-only strips, subordinated notes, residual interests, cash collateral, loans and other receivables. They are to be accounted for, under GAAP, using CICA Accounting Guideline, AcG-12, *Transfers of Receivables* and CICA's EIC – 139, *Accounting for Retained Interests by the Transferor in a Securitization Transaction Accounted for as a Sale under AcG-12*, as revised.

- 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;
- conditional sales contracts for business purposes;
- bridge financing associated with non-residential properties;
- other loans not classified elsewhere.

Other Instructions:

Exclude corporate promissory notes and other bills of exchange or instruments, commonly referred to as commercial paper, purchased for investment, and report these items under Asset 8(a).

Acceptances of the institution drawn by provinces, municipalities and school corporations and others when purchased and held as investments by the reporting institution are to be reported as a separate item.

Where, on a reporting date, the balances of an operating or demand loan account (including an overdraft) and a deposit account of the same individual, partnership or corporate entity may be partially or wholly offset by legal set-off and by a written customer agreement and the off-setting balances are in the same currency and bear the same or no rate of interest, the account balances may be reported net. However, term loans and fixed-term deposits may not be offset for regulatory reporting purposes.

Loan and deposit accounts that may be combined for such purposes as computing customer interest, service charges, etc. may not be reported net.

Net unamortized amounts of fees and costs associated with lending activities are to be included in the balances of the respective loan categories. When net unamortized fees and costs are immaterial, these amounts may be included in Liability 9 - Other Liabilities.

A 10 Mortgages, Less Allowance for Impairment

General Instructions

Advances made to finance development and construction that are not secured by a mortgage (i.e., bridge financing) are to be included in Asset 9(f) or 9(h) as appropriate.

Mortgages acquired at a premium or discount are to be reported net of the premium or discount. The net reported amount of such mortgages will be increased or decreased as the premiums or discounts are taken into income over the term of the mortgages.

A mortgage secured by buildings of which at least 50% of the floor space is used or will be used for permanent private accommodation is to be included under Asset 10(a).

Collateral mortgages are to be included in Asset 9(f) or 9(h).

Tax prepayments are to be included under either Liability 2(b)(iv) or 2(b)(v) as the case may be. Cheques issued for mortgage advances are to be included under Asset 4 until charged to the mortgage account.

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 **Handbook S. 3861**; 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".

SECTION I – CANADIAN DOLLARS ASSETS – MEMO ITEMS

1. Securitized Assets

General Instructions:

Report the average outstanding balances of SPE assets for **recognized** and **unrecognized** securitizations.

(a) Institution's own assets

(i) Credit card loans

Include:

- credit card loans that otherwise would be reported in Asset 9.

(ii) Automobile loans

Include:

- automobile loans that otherwise would be reported in Asset 9.

(iii) Personal loans

Include:

- personal loans that otherwise would be reported in Asset 9.

(iv) Commercial loans

Include:

- commercial loans that otherwise would be reported in Asset 9.

(v) Lease receivables

Include:

- lease receivables that otherwise would be reported in Asset 9.

(vi) Residential mortgages, insured

Include:

- residential mortgages, insured that otherwise would be reported in Asset 10.

(vii) Residential mortgages, uninsured

Include:

- residential mortgages, uninsured that otherwise would be reported in Asset 10.

(viii) Non-residential mortgages

Include:

- non-residential mortgages that otherwise would be reported in Asset 10.

L 4 Cheques and Other Items in Transit

Include:

- for items that meet the criteria for offsetting in accordance with CICA Handbook S. 3861, report the net balance (when that balance is a credit) of transit items.

L 5 Advances From Bank of Canada

Include:

- all advances from the Bank of Canada.

L 6 Acceptances

Refer to Asset 11.

Include:

- acceptances of the institution purchased and resold;
- acceptances of the institution that have not been purchased.

Exclude:

- acceptances of the institution that have been purchased and held by the institution. Report these under Asset 9(h).

L 7 Liabilities of Subsidiaries, Other Than Deposits

(a) Call and Other Short Loans Payable

Include:

- call and other short loans payable secured by securities which, when made, were payable on call or within 90 days;
- sight drafts with securities attached;
- daylight overdrafts outstanding.

(b) Other

Include:

- bonds, debentures and other similar forms of debt instruments;
- liabilities of subsidiaries not included elsewhere (see general instructions to liabilities section).

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 **Handbook S. 3861**; 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;

(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) **Accumulated Other Comprehensive Income (Loss)**

Include:

- Report Accumulated Other Comprehensive Income (Loss) as required by CICA Handbook S. 1530.
- For quarterly fiscal reporting, this amount ties to the total reported in Section IV "Comprehensive Income", Schedule 2 "Accumulated Other Comprehensive Income (Loss), Net of Income Tax" in the P3 "Consolidated Statement of Income, Retained Earnings and AOCI".

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 Reporting Date	Page Number	Description
Please note that as of November 2002, all changes are highlighted:			
9	January 2006	2, 5, 9, 30	<u>Delete:</u> ♦ (net) from Cheques and other items in transit <u>Change:</u> ♦ Instructions for Cheques and other items in transit
		3, 4, 21, 22, 24,	<u>Add:</u> ♦ On-balance sheet securitizations to Memo item 3 ♦ Synthetic securitizations to Memo items 3 (a) (i) and (ii) ♦ Retained interests to Memo item 3 ♦ Par Value of holdings of securities issued by the Government of Canada, Memo item 6 ♦ Unrealized gain/loss on investment book securities (report quarterly fiscal only), Memo item 7
		6, 35	<u>Delete:</u> ♦ Guarantees, Memo item 5
		10, 11	<u>Add:</u> ♦ Retained interests to Asset 10 ♦ Other instructions for Asset 10
10	November 2006 for October Year end DTI's and January 2007 for December Year end DTI's.	3, 21, 22, 37	<u>Change:</u> • On balance sheet and Off balance sheet to Recognized and Unrecognized.
		6, 36	<u>Delete:</u> ♦ Foreign currency translation adjustment <u>Add:</u> ♦ Accumulated other comprehensive income
		7, 38	<u>Add:</u> ♦ Section III, Financial Instruments
		10	<u>Change:</u> ♦ Securities held for Investment Account to Securities held at Amortized Cost and instructions ♦ Securities held for Trading Account to Securities Held at fair value and instructions <u>Delete:</u> ♦ Wording (reported at amortized cost) under Asset 5
		10, 32	<u>Change:</u> ♦ Instructions for Cheques and other items in transit
		12	<u>Change:</u> ♦ Other instructions for Asset 10 (a) ♦ Instructions for Fixed term equity securities held at amortized cost.
		19	<u>Change:</u> ♦ CICA 3860.34 to CICA Handbook S.3861 for Asset 16 (f) and (g)
		25	<u>Change:</u> ♦ Investment Book Securities to Securities held at Amortized Cost for Asset Memo item 7 and instructions ♦ Trading Book Securities to Securities held at fair value
34, 35	<u>Change:</u> ♦ CICA 3860 to CICA Handbook S.3861 for Liability 9(g) and (h)		

	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) Unrecognized (i) Institution's own assets (A) Traditional securitizations (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) Synthetic securitizations (I) Banking book (II) Trading book (ii) Third party assets - Institution sponsored/administered (A) Traditional securitizations (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) Synthetic securitizations (I) Banking book (II) Trading book (b) Recognized (i) Institution's own assets (A) Traditional securitizations (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 (ii) Third party assets - Institution sponsored/administered (A) Traditional securitizations (I) Credit card loans (II) Automobile loans (III) Personal loans (IV) Commercial loans (V) Lease receivables		

	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) Accumulated Other Comprehensive Income (Loss)		
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		

Section III – Financial Instruments
(Report Quarterly Fiscal Only)

Assets (in thousands of dollars)	Fair Value					Held At Amort. Cost	Total	Gain / (Loss) Fair Value Option (YTD)
	Held for Trading	Available For Sale	Fair Value Hedges	Cash Flow Hedges	Fair Value Option			
1. Securities issued or guaranteed by Canada, Canadian Province, Canadian municipal or School Corporation (a) Debt (b) Shares								
2. Other securities, less allowance for impairment, where applicable under GAAP (a) Debt (b) Shares								
3. Non-Mortgage Loans, less allowance for impairment								
4. Mortgages, less allowance for impairment								
5. Customers' liability under acceptances, less allowance for impairment								
6. Other assets								

Liabilities (in thousands of dollars)	Fair Value					Held At Amort. Cost	Total	Gain / (Loss) Fair Value Option (YTD)
	Held for Trading	Available For Sale	Fair Value Hedges	Cash Flow Hedges	Fair Value Option			
1. Fixed-term deposits								
2. Acceptances								
3. Subordinated debt								
4. Other liabilities								

Effect on Earning	Fair Value		
	Fair Value Hedges	Cash Flow Hedges	Fair Value Option
Realized and Unrealized Gain / (Loss) from Hedging and Fair Value Option			

A 5 Deposits With Regulated Financial Institutions, Less Allowance for Impairment

Include:

- non-interest-bearing demand deposit balances;
- interest-bearing deposit balances;
- interest-bearing accounts that are correspondent relationships in Canada and elsewhere;
- deposits with foreign central banks or foreign official monetary institutions;
- term deposits for investment purposes;
- certificates of deposit purchased;
- acceptances purchased.

Exclude:

- deposits with Bank of Canada.

Other Instructions:

Overdrafts in deposit accounts with regulated financial institutions, which are deposit-taking, are to be included in Liability 1(c) - Demand Deposits of Deposit-taking Institutions.

Overdrafts in deposit accounts of and loans to regulated financial institutions, including loans to foreign central banks or foreign official monetary institutions are to be included in Asset 11(b) - Non-Mortgage Loans to Regulated Financial Institutions.

A 6 Cheques and Other Items in Transit

For items that meet the criteria for offsetting in accordance with CICA Handbook S. 3861, report the net balance (when that balance is a debit) of all accounts representing outstanding inter-institution and inter-branch entries, settlements and other items in transit.

If the foreign currency items in transit are a credit, although the total transit figure is a debit, report the foreign currency credit amount with a minus sign.

A 7, 8, 9, 10

Securities

General Instructions

Government of Canada securities are to be reported on the basis of remaining term-to- maturity.

Securities Held at Amortized Cost

Securities held at amortized cost, including those classified as Held to Maturity under CICA Handbook S. 3855.19(g), should be accounted for in accordance with generally accepted accounting principles (GAAP) and should be reported at amortized cost.

Securities Held at Fair Value

Securities accounted for as Held for Trading (CICA Handbook S. 3855.19(f)(i)), Available for Sale (CICA Handbook S. 3855.19(i), Fair Value Hedge (CICA Handbook S. 3855.07(c)), and securities designated as Held for Trading ("Fair Value Option") (CICA Handbook S. 3855.19(f)(ii)), should be fair valued in accordance with GAAP. Items classified as Available for Sale are to be reported net of any allowance for impairment.

Amortization - see Glossary

Other instructions:

Retained interests are assets that arise on the date related assets (receivables) are sold to a special purpose entity and securitized. These assets are retained by the selling institution and they are related to the assets sold to the SPE. Retained interests also include any purchased beneficial interests from third parties. They include interest-only strips, subordinated notes, residual interests, cash collateral, loans and other receivables. They are to be accounted for, under GAAP, using CICA Accounting Guideline, AcG-12, *Transfers of Receivables* and CICA's EIC – 139, *Accounting for Retained Interests by the Transferor in a Securitization Transaction Accounted for as a Sale under AcG-12*, as revised.

(b) Shares

Include:

- common, preferred and term-preferred shares and rights in respect of such shares and units of mutual or investment funds.

Other Instructions:

Debt and equity securities of clubs and like local not for profit organizations purchased for other than investment purposes, are to be included under Asset 16.

Debt and equity securities that normally would be included in Other Securities but have been guaranteed by Canada, provinces, or municipal or school corporations should be reported as Assets 7, 8 and 9, respectively.

Fixed-term equity securities held **at amortized cost** are to be adjusted for the amortization of related premium or discount.

The cost at which holdings of individual securities are carried is to be adjusted to reflect anticipated permanent losses in the underlying values.

Issues of securities where there is a put option or an offer to purchase present, at a price higher than the carrying value of the security, should be recorded at cost. Increases in the carrying value and the accrual of the gain into income are to be permitted only in those circumstances where there is virtual certainty that the gain arising from the put option or the offer to purchase will be realized. Virtual certainty must be demonstrated to the satisfaction of the Office of the Superintendent of Financial Institutions. Normally the prospective purchaser of the securities would be either the Government of Canada or an organization controlled by the Government of Canada.

- conditional sales contracts for business purposes;
- bridge financing associated with non-residential properties;
- other loans not classified elsewhere.

Other Instructions:

Exclude corporate promissory notes and other bills of exchange or instruments, commonly referred to as commercial paper, purchased for investment, and report these items under Asset 10(a).

Where, on a reporting date, the balances of an operating or demand loan account (including an overdraft) and a deposit account of the same individual, partnership or corporate entity may be partially or wholly offset by legal set-off **and** by a written customer agreement and the off-setting balances are in the same currency and bear the same or no rate of interest, the account balances may be reported net. However, term loans and fixed-term deposits may not be offset for regulatory reporting purposes.

Loan and deposit accounts that may be combined for such purposes as computing customer interest, service charges, etc. may not be reported net.

Net unamortized amounts of fees and costs associated with lending activities are to be included in the balances of the respective loan categories. When net unamortized fees and costs are immaterial, these amounts may be included in Liability 9 - Other Liabilities.

A 12 Mortgages, Less Allowance for Impairment

General Instructions:

Advances made to finance development and construction that are not secured by a mortgage (i.e., bridge financing) are to be included in Asset 11(f) or 11(h).

Mortgages acquired at a premium or discount are to be reported net of the premium or discount. The net reported amount of such mortgages will be increased or decreased as the premiums or discounts are taken into income over the term of the mortgages.

A mortgage secured by buildings of which at least 50% of the floor space is used or will be used for permanent private accommodation is to be included under Asset 12(a).

Collateral mortgages are to be included in Asset 11(f) or 11(h).

Tax prepayments are to be included under either Liability 2(b)(iv) or 2(b)(v). Cheques issued for mortgages advances are to be included under Asset 6 until charged to the mortgage account.

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

(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 CICA Handbook **S. 3861**, 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 **Handbook S. 3861**; 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;

(3) Securitized Assets

(a) **Unrecognized**

(i) Institution's own assets

(A) Traditional securitizations

General Instructions:

Report the outstanding balances of SPE 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) Synthetic securitizations

General instructions:

Report the nominal/notional balances for all securitization vehicles sponsored/administered by the institution.

- (I) Banking book vehicles
- (II) Trading book vehicles

(ii) Third Party Assets - Institution sponsored/administered

(A) Traditional securitizations

General Instructions:

Report the outstanding balances of debt issued for all securitization vehicles sponsored/administered by the institution. The line references are the same as in section (i).

- (I) Credit card loans
- (II) Automobile loans
- (III) Personal loans
- (IV) Commercial loans (including traditional CDOs, CLOs)
- (V) Lease receivables
- (VI) Residential mortgages, insured (including traditional CMOs)
- (VII) Residential mortgages, uninsured (including traditional CMOs)
- (VIII) Non-residential mortgages (including traditional CMOs)
- (IX) Other assets (including traditional CDOs, CLOs not reported above)

(B) Synthetic securitizations

General instructions:

Report the nominal/notional balances for all securitization vehicles sponsored/administered by the institution.

- (I) Banking book vehicles
- (II) Trading book vehicles

(b) **Recognized**

(i) Institution's own assets

(A) Traditional securitizations

General Instructions:

Report the outstanding balances of SPE assets that require consolidation as a result of not meeting the requirements of AcG-15. See the OSFI Advisory "Capital Treatment of Asset – Backed Commercial Paper Conduit Programs". The line references are the same as in section (i).

(6) Par value of holdings of securities issued by the Government of Canada

Include:

- Institution holdings of securities issued directly by the Government of Canada. Amounts to be reported are the par values of the securities held by institutions and all of their consolidated subsidiaries as reported in Asset item 7(a) of the monthly balance sheet (and therefore include securities held in both investment and trading accounts).

Other instructions:

Trust and Loan companies are not required to submit this line item.

(7) Unrealized gain/loss on **securities held at amortized cost** (Report quarterly fiscal only. Monthly reporting between fiscal quarter-ends, is not required.)

Include:

- Net impact of marking to market or marking to model of all **securities held at amortized cost including securities held at amortized cost which are classified as Available for Sale in accordance with CICA Handbook S. 3855.19(i).**

Exclude:

- **All securities held at fair value.**

L 4 Cheques and Other Items in Transit

Include:

- For items that meet the criteria for offsetting in accordance with CICA Handbook S. 3861, report the net balance (when that balance is a credit) of transit items;
- if the foreign currency items in transit are a debit, although the total transit figure is a credit, report the foreign currency debit amount with a minus sign.

L 5 Advances From the Bank of Canada

Include:

- all advances from the Bank of Canada.

L 6 Acceptances

Refer to Asset 13.

Include:

- acceptances of the institution purchased and resold;
- acceptances of the institution that have not been purchased.

Exclude:

- acceptances of the institution that have been purchased and held by the institution. Report these under Asset 11(h).

L 7 Liabilities of Subsidiaries, Other Than Deposits

(a) Call and Other Short Loans Payable

Include:

- call and other short loans payable secured by securities which, when made, were payable on call or within 90 days;
- sight drafts with securities attached;
- daylight overdrafts outstanding.

(b) Other

Include:

- bonds, debentures and other similar forms of debt instruments;
- liabilities of subsidiaries not included elsewhere (see general instructions to liabilities section).

(c) Income Taxes

(i) Current

Include:

- estimated accrual to date of income taxes payable for the current year.

(ii) Future

Include:

- future taxes if balance is credit.

(d) Obligations Related to Borrowed Securities

Include:

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

(e) Obligations Related to Assets Sold Under Repurchase Agreements

Include:

- liabilities incurred under sale and repurchase agreements.

(f) Deferred Income

Include:

- deferred fees, commission 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.

(g) Derivative Related Amounts

Include:

- amounts relating to derivative instruments, including unrealized losses (gains are to be offset against losses only as permitted by CICA Handbook **S. 3861**, deferred unrealized gains relating to reserves for credit and market risks and administration costs etc., deferred gains on hedging instruments, and premiums received.

Exclude:

- for Foreign Bank Branches only, derivative related amounts with head office, or other branches of the same bank (see Liability 9(h)).

- (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 **Handbook S. 3861**; 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) **Accumulated Other Comprehensive Income (Loss)**

Include:

- Report Accumulated Other Comprehensive Income (Loss) as required by CICA Handbook S. 1530.
- For quarterly fiscal reporting, this amount ties to the total reported in Section IV "Comprehensive Income", Schedule 2 "Accumulated Other Comprehensive Income (Loss), Net of Income Tax" in the P3 "Consolidated Statement of Income, Retained Earnings and AOCI".

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 **Unrecognized** Items Included in Other Liabilities

Include:

- the total amount of allowances for impairment, individual and other, on **unrecognized** 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. 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).

SECTION III – FINANCIAL INSTRUMENTS

PURPOSE

The purpose of this return is to provide supplementary information on the impacts of applying CICA Handbook S. 3855. It requires certain assets and liabilities, as reported in Section I and Section II of the M4, to be presented in accordance with classifications outlined in CICA Handbook S.3855.

GENERAL INSTRUCTIONS

(Report quarterly fiscal only. Monthly reporting between fiscal quarter-ends, is not required. Deposit taking institutions that are subsidiaries of federally regulated Banks, Trust or Loan companies, are not required to complete Section III.)

Within each asset and liability category listed in Section III, institutions are required to separate out those items held at amortized cost from those items measured at fair value. The total Balance Sheet amount of assets and liabilities measured at amortized cost are to be reported in the corresponding cell located the column 'Held at Amortized Cost'. Similarly, for assets and liabilities measured at fair value, report the total Balance Sheet amount within the appropriate fair value classification columns of 'Held for Trading', 'Available for Sale', 'Fair Value Hedges', 'Cash Flow Hedges', and/or 'Fair Value Option'. The line totals appearing in the column 'Total' for each category of asset and liability listed in Section III, except for 'Other Assets' and 'Other Liabilities', must equal the totals for these same asset and liability categories reported in Section I and Section II of the M4.

Other Instructions

Column 'Held for Trading'

- Report the Balance Sheet value of assets and/or liabilities classified as Held for Trading under CICA Handbook S.3855.19 (f) (i).

Column 'Available for Sale'

- Report the Balance Sheet value of assets classified as Available for Sale under CICA Handbook S. 3855.19 (i). Items which are classified as Available for Sale but are measured at amortized cost are to be recorded in this column.
- Liabilities are not permitted to be classified as Available for Sale in accordance with GAAP.
- Amounts reported in the column 'Available for Sale' are to be shown net of any impairment.

Column 'Fair Value Hedges'

- For a Fair Value Hedge, report the Balance Sheet value of both the hedged item and the hedging derivative in this column according to the appropriate asset and/or liability category presented. The entire position accounted for as a Fair Value Hedge is to be reported in this column.

Column 'Cash Flow Hedges'

- The fair value of derivatives used to hedge cash flows are to be reported in this schedule in line A6 'Other Assets' and/or L4 'Other Liabilities'.

Column 'Fair Value Option'

- Report the Balance Sheet value of financial instruments which are managed together on a fair value basis and which are designated as Held for Trading ("Fair Value Option") in accordance with CICA Handbook S.3855.19 (f)(ii) and with OSFI's Accounting Guideline D-10 "Accounting for Financial Instruments Designated as Fair Value Option".

Column 'Gain/(Loss) Fair Value Option'

- Report the before tax year-to-date realized and unrealized gain/(loss) recorded in earnings for each category of assets and liabilities classified under the 'Fair Value Option' column.

A6 Other Assets & L4 Other Liabilities

- Report only those assets and liabilities affected by the Financial Instruments standard and classified as Other Assets or Other Liabilities for GAAP purposes. This should only include derivative related amounts and the totals reported in this Section should tie to item Asset 16(f) and Liability 9(g).

Lines 'Realized and Unrealized Gain/(Loss) from Fair Value Hedges and Fair Value Option'

- Report the before tax year-to-date total realized and unrealized gain/(loss) recorded in earnings arising from all assets and liabilities classified as 'Fair Value Hedges' and 'Fair Value Option'.
- The amount reported for the Fair Value Option should tie to the sum of items contained in the column "Gain/(Loss) Fair Value Option".

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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
8	November 2006	3	<u>Add:</u> ♦ Less: Accumulated net after tax fair value gains/(losses) arising from changes in institution's own credit risk ♦ Accumulated net after tax foreign currency translation adjustment reported in other comprehensive income (OCI) ♦ Accumulated net after tax unrealized holding gain on available for sale equity securities reported in OCI ♦ Future use: fair value option <u>Delete:</u> ♦ Foreign Currency Translation Adjustment

CAPITAL ELEMENTS **CAR 2**

Tier 1		
Common shares		
Contributed surplus		
Retained earnings		
Less: Accumulated net after tax fair value gains/(losses) arising from changes in institution's own credit risk		
Accumulated net after tax foreign currency translation adjustment reported in other comprehensive income (OCI)		
Accumulated net after tax unrealized holding loss on available-for-sale equity securities reported in OCI		
Future use: fair value option		
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)		
Accumulated net after tax unrealized holding gain on available-for-sale equity securities reported in OCI		
Future use: fair value option		
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

Manual of Reporting Forms and Instructions for Deposit-Taking Institutions

AMENDMENT CONTROL LOG

Deposit Liabilities

Amendment Number	Effective Reporting Date	Page Number	Description
Please note that throughout this Tab, the following changes are all identified by a sidebar:			
1	Q1 1999	11, 12	<u>Delete:</u> <ul style="list-style-type: none"> ◆ Federal Government Enterprises which have been privatized: <ul style="list-style-type: none"> - Canadian Commercial Corporation - Canadian National Railway Company and subsidiaries - Canarctic Shipping Company Ltd. - Petro-Canada and subsidiaries
2	Q1 2000	1	<u>Add:</u> <ul style="list-style-type: none"> ◆ Section 600 of the Bank Act (applies to Foreign Bank Branches) <u>Change:</u> <ul style="list-style-type: none"> ◆ Section 523 of the Bank Act is now Section 628 ◆ The Bank of Canada Review is now called: Bank of Canada Banking and Financial Statistics
3	Q1 2001	3	<u>Delete:</u> <ul style="list-style-type: none"> ◆ The last Section of the memo items. Names and addresses of five agents providing the largest amounts of deposits in aggregate.
4	Q1 2007	5, 6, 9	<u>Change:</u> <ul style="list-style-type: none"> ◆ Export Development Corporation to Export Development Canada ◆ Farm Credit Corporation to Farm Credit Canada ◆ Alberta Treasury Branches to ATB Financial <u>Delete:</u> <ul style="list-style-type: none"> ◆ Province of Ontario Savings Office
		9	<u>Change:</u> <ul style="list-style-type: none"> ◆ Alberta Municipal Financial Corporation to Alberta Capital Finance Authority

Other Instructions:

- the total of foreign currency and Canadian currency for demand, notice and term deposits must agree with the amounts reported as deposits by provinces on the balance sheet on lines 1(b), 2(a)(ii), 2(b)(ii) and 3(b).

(c) Municipal and School Corporations

Include:

- all emanations of municipal governments and school corporations that do not have their own borrowing authority.

Other Instructions:

- municipal and school corporation deposits are included in "other" deposits on the balance sheet and not reconcilable.

(2) **Other residents**

(a) Financial institutions

(i) Deposit-taking institutions

Include:

- chartered banks that are in Schedule I or II of the Bank Act (see SIC, Division K, Class 7021) and credit unions and caisses populaires, trust companies and mortgage loan companies (see SIC, Division K, Classes 7031, 7041, 7042, 7051, 7052 and 7099).

(ii) Public financial institutions

Include:

- the Canada Deposit Insurance Corporation, Canada Mortgage and Housing Corporation, Export Development **Canada**, Farm Credit **Canada**, Business Development Bank of Canada **and ATB Financial** (see SIC, Division K, Class 7029 and see conceptual overview in the Definitions of Financial Flow Sectors).

(iii) Other financial institutions

Include:

- life insurance companies, fraternal benefit societies, property and casualty insurance companies and trustee and other pension plans (see SIC, Division K, Class 7291, 7299 and Groups 731, 732 (non-government) and 733).
- investment dealers (see SIC, Division K, Group 741) and mutual funds, closed-end funds, mortgage investment companies, real estate investment trusts, sales finance and consumer loan companies and other private financial institutions (such as financial leasing and venture capital companies)(see SIC, Division K, Groups 71, 72, (except class 7291 and 7299 included above) and Groups 742, 743 and 749).

(b) Non-financial corporations

(i) Non-financial private corporations

Include:

- all corporations and unincorporated branches of foreign corporations operating in Canada, except financial institutions and government enterprises. See SIC, Division A, Major Groups 01 and 02; Division B, Major Group 03; Division C, Major Groups 04 and 05; Division D, Major Groups 06 to 09 inclusive; Division E, Major Groups 10 to 39 inclusive; Division F, Major Groups 40 to 44 inclusive; Division G, Major Groups 45, 46 and 47; Division H, Major Groups 48 and 49; Division I, Major Groups 50 to 59 inclusive; Division J, Major Groups 60 to 69 inclusive; Division L, Major Groups 75 and 76; Division M, Major Groups 77; Division Q, Major Groups 91 to 92; and Division R, Major Groups 96, 97 and 99;
- multiproduct conglomerates, i.e., corporations that have no one business, as cited in the codes above, that constitutes more than 50 per cent of the corporation's total activity.

(ii) Non-financial government enterprises

Include:

- all Canadian corporations in which federal, provincial or municipal government holds at least 50 per cent of the voting stock, and any subsidiaries of those companies;
- all separately constituted boards and commissions of government that carry on a business and have their own borrowing authority (see conceptual treatment in Definitions of Financial Flow Sectors). A list of federal and provincial enterprises and their subsidiaries compiled by Statistics Canada is included in the appendix, Definitions of Financial Flow Sectors.

Exclude:

- Canada Deposit Insurance Corporation, Canada Mortgage and Housing Corporation, Export Development Canada, Farm Credit Canada, Business Development Bank of Canada and ATB Financial. These are to be reported under 2(a)(ii).

(c) Individuals

Include:

- all deposits from individuals where such deposits are of a personal nature; i.e., non-business-related.

Other Instructions:

- demand deposits are to represent only personal chequing accounts; all current accounts held by individuals are to be classified as deposits of unincorporated businesses.

(d) Unincorporated businesses and private not for profit institutions

Include:

- all deposits from individuals which are for business purposes;
- charitable organizations, universities, clubs, etc. (including: see Division O, Groups 852, 853, 854, 855 and 859; Division P, Major Group 86 and Division R, Major Group 98).

DEFINITIONS OF FINANCIAL FLOW SECTORS

Note that the conceptual framework of Financial Flow Sectors set out below speaks only to the Canadian situation.

For three returns (*Non-Mortgage Loans Assets Classified by Institutional Sector; Securities Report; and Deposit Liabilities Classified by Institutional Sector*), the concept of institutional sectors is used. These sectors and a brief explanation of them are:

I. Provincial and/or Municipal Government

Include transactions with social insurance programs operated by governments (e.g., Workmen's Compensation Board), non-trusted public service pension plans operated outside the governmental budgetary framework (e.g., Public Service Superannuation Fund (Ontario)) and public hospitals.

II. Public Financial and Non-Financial Institutions

These are defined as enterprises which are of a commercial nature and charge a price for their goods and services related to their costs of production. Typically, these institutions are engaged in manufacturing, lending, insurance, transportation, communication, the provision of electric power, and the distribution of liquor through provincial liquor boards.

Institutions included in this category typically are characterized by the following:

- (a) the institution must have a statutory basis which directs it to produce a good or a service for sale on the market at a price related cost,
- (b) the institution maintains financial accounts separate from those of the government which established it and charges costs of production against revenue,
- (c) management of the institution is relatively autonomous.

Not included are organizations which:

- (a) are wholly or primarily engaged in the business of effective intergovernmental flows of funds (e.g., Alberta **Capital Finance Authority**), or
- (b) wholly or primarily engaged in the business of selling their output to the government which established them. Such organizations are included in their respective government sectors.

A. Public Financial Institutions

Include the Canada Deposit Insurance Corporation, Canada Mortgage and Housing Corporation, Export Development **Canada**, Farm Credit **Canada**, Business Development Bank of Canada **and ATB Financial**.

Manual of Reporting Forms and Instructions for Deposit-Taking Institutions

AMENDMENT CONTROL LOG

Geographic Distribution of Assets and Liabilities Booked In Canada

Amendment Number	Effective Reporting Date	Page Number	Description
Please note that as of November 2002, all changes are highlighted:			
8	January 2006	1	<u>Add:</u> ◆ Section 24 of the Bank of Canada Act
		3	<u>Add:</u> ◆ columns 517, 527
		6, 7, 8	<u>Change:</u> ◆ Surinam to Suriname ◆ Ivory Coast to Côte d'Ivoire ◆ Palestinian Autonomy to Palestinian Territory ◆ Korea, Democratic People's Republic of to Korea, Democratic People's Republic of (north) ◆ Marshall Island to Marshall Islands ◆ Mongolian People's Republic to Mongolia
		12	<u>Delete:</u> ◆ Footnote 2
		12, 14, 18, 19	<u>Add:</u> ◆ Instructions for new columns and added instruction Note: please see pages noted.
		28	<u>Add:</u> ◆ Add examples 11, 12 and 13
		9	January 2007
8	<u>Delete:</u> ◆ Sikkim		
11	<u>Delete:</u> ◆ Footnote 1		
15, 16	<u>Change:</u> ◆ Page references for credit derivatives		
16	<u>Add:</u> ◆ Instructions for Guarantees and Other Unused Credit Commitments		
17	<u>Change:</u> ◆ Book value to Balance sheet value		
28	<u>Add:</u> ◆ Footnote 1 <u>Change:</u> ◆ Non-bank private to Bank		
29	<u>Change:</u> ◆ Example 4, for D. Guarantees and credit commitments		

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GENERAL INSTRUCTIONS

The purpose of this return is to provide foreign currency and Canadian currency information regarding the size and nature of an institution's claims, other exposures, and liabilities to residents of foreign countries and Canada that are booked in Canada. The data are an important source of information for measuring Canada's balance of payments and are the basis for fulfilling Canada's reporting responsibilities to the Bank for International Settlements.

Institutions should file the data as two separate returns: code GM for the monthly variables and code QQ for the quarterly variables.

The information reported covers claims, other exposures, and liabilities *booked at* the Head Office of the institution, at Canadian branches of the institution, at the Head Office or Canadian branches of Canadian Corporations controlled by the institution, or at Canadian branches or offices of foreign corporations controlled by the institution (that is, Canadian units of the institution). International departments or divisions are considered to be residents of the country in which the office is located. The level of consolidation for this return should be the same as that for the Balance Sheet. The positions of investment dealer subsidiaries are to be consolidated into this return.

All foreign currency claims, other exposures, and liabilities (whether vis-à-vis residents or non-residents) are to be reported on this return. Only Canadian dollar claims, other exposures, and liabilities vis-à-vis non-residents are to be reported on this return. That is, there should be no Canadian dollar booked in Canada data reported vis-à-vis Canadian residents. The only exceptions are inward risk transfer columns, since Canadians may have guaranteed a Canadian dollar claim on a non-resident.

Separate data are required with respect to positions in Canadian dollars, U.S. dollars, British sterling, EURO, Swiss francs and "all other foreign currencies". Foreign currencies amounts are to be translated into Canadian currency equivalent amounts using closing foreign exchange rates provided by the Bank of Canada. Currencies for which the Bank of Canada does not provide closing rates may be converted to Canadian currency equivalents using a representative closing market mid-rate or the most recently quoted market rate available.

As of January 1, 1999, members of the European Monetary Union (EMU) merged their currencies into a new currency, the EURO. EMU members include: Austria, Belgium, Finland, France, Germany, Greece (2001), Ireland, Italy, Luxembourg, Netherlands, Portugal and Spain. Prior to January 1, 1999, EMU member currencies were reported in the "Other Currencies" column, with the exception of Deutsche Marks, which were reported separately. Beginning January 1, 1999, all EURO currency entries (i.e., entries for all EMU members) are reported in the "EURO" column.

Claims, other exposures, and liabilities are referred to as column numbers; this reference is for purposes of reporting the return to the Bank of Canada. The residency of counterparties on both an immediate borrower and ultimate risk basis, is to be indicated according to a three digit country code provided on the List of Country Codes. References to "sections" in these instructions are intended to refer to the various sections on the List of Country Codes.

All claims and other exposures are to be reported gross of any allowances for impairment. Accrued interest is to be excluded from all parts of the return. Exclude all gold and silver balances, foreign coin, foreign government or bank notes, net debit or credit items in transit vis-à-vis third parties, amounts reported as insurance-related assets and liabilities, and items reported in the "other" assets and liabilities items on the month-end balance sheet.

The following equation illustrates how to derive claims on an ultimate risk basis:

$$\begin{array}{rcccccc} \text{Total Claims} & - & \text{Outward Risk} & + & \text{Inward Risk} & = & \text{Total Claims} \\ \text{(Immediate Borrower Basis)} & & \text{Transfer} & & \text{Transfer} & & \text{(Ultimate Risk Basis)} \end{array}$$

Derivatives:

Banks are to provide data on financial claims (i.e., positive market values) resulting from derivative contracts, independent of whether they are booked as on- or off-balance sheet items. The data should be reported on an ultimate risk basis, i.e., the positions should be allocated to the country where the final risk lies. The data should cover in principle all derivative contracts that are reported in the context of the BIS regular OTC derivatives statistics. The data thus mainly comprise forwards, swaps and options relating to foreign exchange, interest rate, equity, commodity and credit derivative contracts. As previously indicated, credit derivatives that are used to cover for the counterparty risk of financial claims in the banking book should be reported as “risk transfers” and not as derivatives (see credit derivatives table on page 14).

The following is a description of common OTC derivative instruments:

- forwards
- swaps
- OTC options (if sold, do not include)

Forward contracts: Forward contracts represent agreements for delayed delivery of financial instruments or commodities in which the buyer agrees to purchase and the seller agrees to deliver, at a specified future date, a specified instrument or commodity at a specified price or yield. Forward contracts are not traded on organized exchanges and their contractual terms are not standardized. Forward contracts are to be reported that have been entered into by the reporting bank and are outstanding (i.e., open contracts) as at the reporting date. Contracts are outstanding (i.e., open) until they have been cancelled by acquisition or delivery of the underlying financial instrument or commodity or settled in cash.

Swaps: Swaps are transactions in which two parties agree to exchange payment streams based on a specified notional amount for a specified period.

OTC options: Option contracts convey either the right or the obligation, depending upon whether the reporting institution is the purchaser or the writer, respectively, to buy or sell a financial instrument or commodity at a specified price up to a specified future date. OTC option contracts include all option contracts not traded on an organized exchange. These include: swaptions, i.e., options to enter into a swap contract, and contracts known as caps, floors, collars, and corridors. Options such as call features embedded in loan, securities and other on-balance-sheet assets are not to be included. Sold options are not considered a financial claim and therefore are not to be included under derivatives. (Note: Sold options can be used to provide protection under various contractual arrangements for credit derivatives – see risk transfer section).

Derivative Valuation:

“Positive market value” of derivatives is defined as the absolute value of open contracts with a positive replacement value evaluated at market prices prevailing at the reporting date. Thus, the positive market value of a bank’s outstanding contracts is the sum of all positive replacement values of a reporting bank’s contracts at current market prices (and which therefore, if they were settled immediately, would represent claims on counterparties). Amounts are to be reported after taking into account all legally enforceable bilateral netting agreements. Note negative market values are not to be included.

In the case of forwards and swaps, the market (or replacement) value of outstanding contracts to which the reporter is counterparty is either positive, zero, or negative, depending on how the underlying prices have moved since the contract's initiation. Unlike forwards or swaps, OTC options have a market value at initiation that is equal to the premium paid to the writer of the option. Throughout their life option contracts can only have a positive market value for the buyer and a negative market value for the seller.

For a forward, a contract to purchase USD against CDN at a forward rate of 1.50 when initiated has a positive market value if the USD/CDN forward rate at the time of reporting for the same settlement date is higher than 1.50. It has a negative market value if the forward rate at the time of reporting is lower than 1.50 and it has a zero market value if the forward rate at the time of reporting is still 1.50.

For swaps, which involve multiple (and sometimes two-way payments), the market value is the net present value of the payments to be exchanged between the counterparties between the reporting date and contract's maturity, where the discount factor to be applied would normally reflect the market interest rate for the period of the contract's remaining maturity. Thus, a fixed/floating swap which at the interest rates prevailing at the reporting date involves net annual receipts by the reporter of e.g., 2% of the notional principal amount for the next three years has a positive marked-to-market (or replacement) value equal to the sum of three net payments (each 2% of the notional amount), discounted by the market interest rate prevailing at the reporting date. If the contract is not in the reporter's favour (i.e., the reporter would have to make net annual payments), the contract has a negative net present value.

Option contracts, on the other hand, can only have a positive market value for the buyer. If a quoted market price is available for a contract, the market value to be reported for that contract is the product of the number of trading units of the contract multiplied by that market price. If a quoted market price is not available, the market value of an outstanding option contract at the time of reporting can be determined on the basis of secondary market prices for options with the same strike prices and remaining maturities as the options being valued, or by using option pricing models.

Guarantees and Other Unused Credit Commitments:

Data are to be reported on exposures to the reporting bank via guarantees and unused credit commitments other than guarantees. These are to be reported on an ultimate risk basis, i.e., the positions allocated to the country where the final risk lies. Both types of data should be reported to the extent that they represent the unutilized portion of both binding contractual obligations and any other irrevocable commitments. Performance bonds and other forms of guarantee should only be reported if, in the event of the contingency occurring, the resulting claims would have an impact on total balance sheet claims. A more detailed definition of guarantees and other credit commitments and a non-exhaustive list of typical instruments that qualify as guarantees and other credit commitments is provided below.

“Guarantees” are contingent liabilities arising from an irrevocable obligation to pay to a third-party beneficiary when a client fails to perform some contractual obligation. They include secured, bid and performance bonds, warranties and indemnities, confirmed documentary credits, irrevocable and standby letters of credit, acceptances and endorsements. Guarantees also include the contingent liabilities of the protection seller of credit derivative contracts (see credit derivatives table on page 14).

“Other unused credit commitments” are arrangements that irrevocably obligate an institution, at a client's request, to extend credit in the form of loans, participation in loans, lease financing receivables, mortgages, overdrafts or other loan substitutes or commitments to extend credit in the form of the purchase of loans, securities or other assets. Normally commitments involve a written contract or agreement and some form of consideration, such as a commitment fee. This definition is identical to that used in the Capital Adequacy Return. Include customers' liability under acceptances (Assets 13 of the month-end balance sheet). Do not include such items as letters of awareness or intent, comfort letters, or similar documents.

Contingent liabilities resulting from guarantees and credit commitments should be valued at face value or the maximum possible exposure.

Further instrument definitions and reporting categorizations follows.

SPECIFIC INSTRUCTIONS

(Items marked with an asterisk are to be reported only on calendar quarter-ending months.)

PART I - CLAIMS

Positions on an immediate borrower basis

Columns 1, 2, 110 - Balances with Banks and Official Monetary Institutions

Deposits with other banks or official monetary institutions are to be reported geographically according to the location of the bank branch where the deposit is held. Deposits with banks are to be split between those that are interest bearing and those which are not. Exclude net debit items in transit.

Columns 3, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375 - Securities

Securities are to be reported at **balance sheet** value, gross of any allowance for impairment and are to be reported geographically according to the country of residence of the issuer. Short-term securities are those with an original term to maturity of one year or less, with the exception of Government of Canada securities where short-term securities are those with a remaining term to maturity of 3 years or less. Securities issued by official monetary institutions are to be reported in columns 366, 369, 372, and 375 (see attached list of official monetary institutions).

* Report columns 364 through 375 only as at calendar quarter-ending months.

Columns 4, 5, 521, 522 - Loans

All loans are to be reported at **balance sheet** value, gross of any allowance for impairment. Loans include lease receivables. Loans to official monetary institutions are to be reported in column 522 (see attached list of official monetary institutions).

* Report columns 521 and 522 only as at calendar quarter-ending months.

Column 6 - Total Claims

Report the total of columns 1, 2, 110, 3, 4 and 5.

* Columns 99, 11, 112, 400 – Distribution of Total Claims by Residual Term to Maturity

Distribute total claims (column 6) according to residual term to maturity. The maturity distribution should reflect amortization periods or final maturity dates, rather than interest adjustment or rollover dates. Installment loans should be allocated to the periods in which the installment payments are made. Demand loans should be classified as claims with a maturity of one year or less. If a claim involves a sinking fund, use the final maturity date. Equities are to be included in column 400 (unallocated) along with the data for which it is not necessary to report maturity, e.g., deposits with individual banks, securities holdings of specific issues amounting to \$200,000 or less, and loans made under authorization of \$200,000 or less.

Examples for reporting of individual transactions*

A. Loans and deposits	Immediate borrower and outward risk (where applicable) reporting			Inward risk reporting			Country transfer
	Type of claim	Sector	Country	Type of claims	Sector	Country	
11. A Canadian bank has extended a loan in Canadian currency to US corporate in the US. The loan is guaranteed by a bank in Canada.	cross border	non-bank private	US	local in local currency	bank	Canada	outward US; inward Canada
12. A Canadian bank has extended a loan in Canadian currency to a corporate residing in Canada. The loan is guaranteed by a bank in Hong Kong.	none	none	none	cross border	bank	Hong Kong	outward none; inward Hong Kong
13. A Canadian bank has extended a loan in Canadian currency to a bank residing in Canada. The loan is guaranteed by corporate in Canada.	none	none	none	none	none	none	outward none; inward none

B. Securities	Immediate borrower and outward risk (where applicable) reporting			Inward risk reporting			Country transfer
	Type of claim	Sector	Country	Type of claims	Sector	Country	
1. A Canadian bank has purchased securities issued by a Japanese bank against credit card claims on Japanese non-banks ¹	cross border	bank	Japan	cross-border	bank	Japan	outward: Japan inward: Japan
2. A Canadian bank has purchased a Canadian dollar securities issued by a branch of a Japanese bank in Canada	none	none	none	cross-border	bank	Japan	inward: Japan
3. A Korean bank in Canada has purchased UK government securities	cross border	public	UK	none	none	none	none

* Please note that the term “bank” only refers to either head offices of banks or their legally independent and incorporated subsidiaries, but not to branches of banks which are referred to separately. In addition, the term “none” is meant to be a short version for “no reporting required”.

¹ Credit card claims are not considered as risk mitigant for reporting purposes.

Examples for reporting of individual transactions*

C. Derivatives	Ultimate risk reporting
	Country
1. A Canadian bank has bought credit derivatives issued by a bank in the UK which are recorded in the trading book of the Canadian bank	UK
2. A Canadian bank has bought interest rate derivatives issued by a branch of a Japanese bank in the UK	Japan
3. A Canadian bank has bought equity derivatives issued by another Canadian bank. The bank has provided UK government securities as collateral	UK
4. A Japanese bank in Canada has bought credit derivatives issued by a bank in Japan which are recorded in the trading book of the Japanese bank located in Canada	Japan

D. Guarantees and credit commitments	Ultimate risk reporting	
	Type	Country
1. A Canadian bank has guaranteed a loan extended by a bank in Japan to the branch of a UK bank in Hong Kong	guarantee	UK
2. A Canadian bank has made a credit commitment to a corporate in the UK	credit commitment	UK
3. A Canadian bank has made a credit commitment to a branch of a UK bank in Japan	credit commitment	UK
4. A Canadian bank has sold a credit derivative on a German corporate to a branch of a Japanese bank in the UK	guarantee	Germany
5. A Korean bank in Canada has guaranteed a loan extended by a Japanese bank to a corporate in Korea	guarantee	Korea
6. A Japanese bank in Canada has guaranteed a loan extended by a UK bank to a corporate in France	guarantee	France

* Please note that the term “bank” only refers to either head offices of banks or their legally independent and incorporated subsidiaries, but not to branches of banks which are referred to separately. In addition, the term “none” is meant to be a short version for “no reporting required”.

Manual of Reporting Forms and Instructions for Deposit-Taking Institutions

AMENDMENT CONTROL LOG

Geographical Distribution of Assets and Liabilities Booked Outside of Canada

Amendment Number	Effective Reporting Date	Page Number	Description
Please note that as of November 2002, all changes are highlighted:			
9	Q1 2007	5	<u>Delete:</u> ♦ Serbia and Montenegro <u>Add:</u> ♦ Serbia ♦ Montenegro
		8	<u>Delete:</u> ♦ Sikkim
		10	<u>Delete:</u> ♦ Footnote 1
		14, 15	<u>Change:</u> ♦ Page references for credit derivatives
		15	<u>Add:</u> ♦ Instructions for Guarantees and Other Unused Credit Commitments
		16	<u>Change:</u> ♦ Book value to Balance sheet value
		31	<u>Change:</u> ♦ Example B. Securities corrected

Guernsey	486
Hong Kong	658
Isle of Man	487
Jersey	488
Lebanon	620
Macau	670
Mauritius	758
Montserrat	260
Netherlands Antillies	263
Panama	363
Panama Canal Zone	367
Singapore	686
St. Kitts-Nevis	272
Vanuatu (formerly New Hebrides)	856
C. <u>Developing Countries</u>	
(i) <u>Europe</u>	
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Bulgaria	521
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Cyprus	481
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Hungary	539
Latvia	540
Lithuania	541
Macedonia	542
Malta	489
Moldova	543
Montenegro	559
Poland	545
Romania	551
Russian Federation	553
Serbia	558
Slovak Republic	552
Slovenia	555
Turkey	477
Ukraine	556
(ii) <u>Latin America, Caribbean, and Western Atlantic Islands</u>	
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Chile	319
Colombia	323

(iv) **Asia and Pacific**

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American Samoa	832
Antarctica	834
Armenia	647
Azerbaijan	649
Bangladesh	650
Bhutan, Kingdom of	652
British Indian Ocean Territory	710
Brunei	654
Cambodia	664
China, People's Republic of	640
Christmas Island	840
Cook Islands	826
Fiji	842
French Polynesia	844
Georgia	657
Guam	848
India	660
Indonesia	662
Johnston Island	850
Kazakhstan	665
Kiribati (Canton and Enderbury, Gilbert Island, Phoenix Islands, Line Islands)	846
Korea, Republic of (south)	666
Korea, Democratic People's Republic of (north)	642
Kyrgyzstan	667
Laos	668
Malaysia	672
Maldives, Republic of	674
Marshall Islands	872
Micronesia	874
Midway Island	852
Mongolia	644
Myanmar (formerly Burth)	656
Nauru	818
Nepal, Kingdom of	676
New Caledonia	854
Niue Island	828
Norfolk Island	820
Pacific Islands (Trust Territory)	858
Pakistan	678
Palau	876
Papua New Guinea	822
Philippines	680
Pitcairn Islands	860
Samoa	870

GENERAL INSTRUCTIONS

This return provides foreign currency and Canadian currency information regarding the size and nature of a bank's claims, other exposures, and liabilities vis-à-vis residents of foreign countries and Canada that are booked outside of Canada. The data are an important source of information for measuring Canada's balance of payments and are the basis for fulfilling Canada's reporting responsibilities to the Bank for International Settlements.

The information reported in Parts I and II covers claims, other exposures, and liabilities *booked at* foreign branches, foreign agencies, foreign corporations controlled by the bank, and at foreign branches or offices of Canadian corporations controlled by the bank. International departments or divisions are considered to be residents of the country in which the office is located. The level of consolidation for this return should be the same as that for the balance sheet. The positions of investment dealer subsidiaries are to be consolidated into this return.

All foreign and Canadian currency claims, other exposures, and liabilities (whether vis-à-vis residents or non-residents of Canada) are to be reported on this return. Separate data are required with respect to positions in Canadian dollars, U.S. dollars, British sterling, EURO, Swiss francs and "all other foreign currencies". Foreign currencies amounts are to be translated into Canadian currency equivalent amounts using closing foreign exchange rates provided by the Bank of Canada. Currencies for which the Bank of Canada does not provide closing rates may be converted to Canadian currency equivalents using a representative closing market mid-rate or the most recently quoted market rate available.

As of January 1, 1999, members of the European Monetary Union (EMU) merged their currencies into a new currency, the EURO. EMU members include: Austria, Belgium, Finland, France, Germany, Greece (2001), Ireland, Italy, Luxembourg, Netherlands, Portugal and Spain. Prior to January 1, 1999, EMU member currencies were reported in the "Other Currencies" column, with the exception of Deutsche Marks, which were reported separately. Beginning January 1, 1999, all EURO currency entries (i.e., entries for all EMU members) are reported in the "EURO" column.

Claims, other exposures, and liabilities are referred to as column numbers; this reference is for purposes of reporting the return to the Bank of Canada. The residency of counterparties on both an immediate borrower and ultimate risk basis, is to be indicated according to a three digit country code provided on the List of Country Codes. References to "sections" in these instructions are intended to refer to the various sections on the List of Country Codes.

All claims and other exposures are to be reported gross of any allowances for impairment. Accrued interest is to be excluded from all parts of the return. Exclude all gold and silver balances, foreign coin, foreign government or bank notes, net debit or credit items in transit vis-à-vis third parties, amounts reported as insurance-related assets and liabilities, and items reported in the "other" assets and liabilities items on the month-end balance sheet.

Claims, other exposures, and liabilities are to be initially classified on a geographical basis according to the mailing address of the counterparty, unless the bank is aware that the resident status of the counterparty is different from their mailing address. Foreign branches or foreign subsidiaries of Canadian corporations are classified as non-residents (making them residents of the foreign country in which they are operating), while branches or subsidiaries of foreign corporations operating in Canada are classified as residents. Claims, other exposures and liabilities vis-à-vis international institutions are to be reported separately in section D of the return (see list of country codes).

The following equation illustrates how to derive claims on an ultimate risk basis:

$$\begin{array}{rcccl} \text{Total Claims} & - & \text{Outward Risk} & + & \text{Inward Risk} & = & \text{Total Claims} \\ \text{(Immediate Borrower Basis)} & & \text{Transfer} & & \text{Transfer} & & \text{(Ultimate Risk Basis)} \end{array}$$

Derivatives:

Banks are to provide data on financial claims (i.e., positive market values) resulting from derivative contracts, independent of whether they are booked as on- or off-balance sheet items. The data should be reported on an ultimate risk basis, i.e., the positions should be allocated to the country where the final risk lies. The data should cover in principle all derivative contracts that are reported in the context of the BIS regular OTC derivatives statistics. The data thus mainly comprise forwards, swaps and options relating to foreign exchange, interest rate, equity, commodity and credit derivative contracts. As previously indicated, credit derivatives that are used to cover for the counterparty risk of financial claims in the banking book should be reported as “risk transfers” and not as derivatives (see credit derivatives table on page 13).

The following is a description of common OTC derivative instruments:

- forwards
- swaps
- OTC options (if sold, do not include)

Forward contracts: Forward contracts represent agreements for delayed delivery of financial instruments or commodities in which the buyer agrees to purchase and the seller agrees to deliver, at a specified future date, a specified instrument or commodity at a specified price or yield. Forward contracts are not traded on organized exchanges and their contractual terms are not standardized. Forward contracts are to be reported that have been entered into by the reporting bank and are outstanding (i.e., open contracts) as at the reporting date. Contracts are outstanding (i.e., open) until they have been cancelled by acquisition or delivery of the underlying financial instrument or commodity or settled in cash.

Swaps: Swaps are transactions in which two parties agree to exchange payment streams based on a specified notional amount for a specified period.

OTC options: Option contracts convey either the right or the obligation, depending upon whether the reporting institution is the purchaser or the writer, respectively, to buy or sell a financial instrument or commodity at a specified price up to a specified future date. OTC option contracts include all option contracts not traded on an organized exchange. These include: swaptions, i.e., options to enter into a swap contract, and contracts known as caps, floors, collars, and corridors. Options such as call features embedded in loan, securities and other on-balance-sheet assets are not to be included. Sold options are not considered a financial claim and therefore are not to be included under derivatives. (Note: Sold options can be used to provide protection under various contractual arrangements for credit derivatives – see risk transfer section).

Derivative Valuation:

“Positive market value” of derivatives is defined as the absolute value of open contracts with a positive replacement value evaluated at market prices prevailing at the reporting date. Thus, the positive market value of a bank’s outstanding contracts is the sum of all positive replacement values of a reporting bank’s contracts at current market prices (and which therefore, if they were settled immediately, would represent claims on counterparties). Amounts are to be reported after taking into account all legally enforceable bilateral netting agreements. Note negative market values are not to be included.

In the case of forwards and swaps, the market (or replacement) value of outstanding contracts to which the reporter is counterparty is either positive, zero, or negative, depending on how the underlying prices have moved since the contract's initiation. Unlike forwards or swaps, OTC options have a market value at initiation that is equal to the premium paid to the writer of the option. Throughout their life option contracts can only have a positive market value for the buyer and a negative market value for the seller.

For a forward, a contract to purchase USD against CDN at a forward rate of 1.50 when initiated has a positive market value if the USD/CDN forward rate at the time of reporting for the same settlement date is higher than 1.50. It has a negative market value if the forward rate at the time of reporting is lower than 1.50 and it has a zero market value if the forward rate at the time of reporting is still 1.50.

For swaps, which involve multiple (and sometimes two-way payments), the market value is the net present value of the payments to be exchanged between the counterparties between the reporting date and contract's maturity, where the discount factor to be applied would normally reflect the market interest rate for the period of the contract's remaining maturity. Thus, a fixed/floating swap which at the interest rates prevailing at the reporting date involves net annual receipts by the reporter of e.g., 2% of the notional principal amount for the next three years has a positive marked-to-market (or replacement) value equal to the sum of three net payments (each 2% of the notional amount), discounted by the market interest rate prevailing at the reporting date. If the contract is not in the reporter's favor (i.e., the reporter would have to make net annual payments), the contract has a negative net present value.

Option contracts, on the other hand, can only have a positive market value for the buyer. If a quoted market price is available for a contract, the market value to be reported for that contract is the product of the number of trading units of the contract multiplied by that market price. If a quoted market price is not available, the market value of an outstanding option contract at the time of reporting can be determined on the basis of secondary market prices for options with the same strike prices and remaining maturities as the options being valued, or by using option pricing models.

Guarantees and Other Unused Credit Commitments:

Data are to be reported on exposures to the reporting bank via guarantees and unused credit commitments other than guarantees. These are to be reported on an ultimate risk basis, i.e., the positions allocated to the country where the final risk lies. Both types of data should be reported to the extent that they represent the unutilized portion of both binding contractual obligations and any other irrevocable commitments. Performance bonds and other forms of guarantee should only be reported if, in the event of the contingency occurring, the resulting claims would have an impact on total balance sheet claims. A more detailed definition of guarantees and other credit commitments and a non-exhaustive list of typical instruments that qualify as guarantees and other credit commitments is provided below.

“Guarantees” are contingent liabilities arising from an irrevocable obligation to pay to a third-party beneficiary when a client fails to perform some contractual obligation. They include secured, bid and performance bonds, warranties and indemnities, confirmed documentary credits, irrevocable and standby letters of credit, acceptances and endorsements. Guarantees also include the contingent liabilities of the protection seller of credit derivative contracts (see credit derivatives table on page 13).

“Other unused credit commitments” are arrangements that irrevocably obligate an institution, at a client's request, to extend credit in the form of loans, participation in loans, lease financing receivables, mortgages, overdrafts or other loan substitutes or commitments to extend credit in the form of the purchase of loans, securities or other assets. Normally commitments involve a written contract or agreement and some form of consideration, such as a commitment fee. This definition is identical to that used in the Capital Adequacy Return. Include customers' liability under acceptances (Assets 13 of the month-end balance sheet). Do not include such items as letters of awareness or intent, comfort letters, or similar documents.

Contingent liabilities resulting from guarantees and credit commitments should be valued at face value or the maximum possible exposure.

SPECIFIC INSTRUCTIONS

PART I - CLAIMS

Positions on an immediate borrower basis

Columns 128, 129- Balances with banks and official monetary institutions

Deposits with other banks or official monetary institutions (see attached list of official monetary institutions) are to be reported geographically according to the location of the bank branch where the deposit is held. Exclude net debit items in transit.

Columns 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 165, 166, 167 - Securities

Securities are to be reported at **balance sheet** value, gross of any allowance for impairment and are to be reported geographically according to the country of residence of the issuer. Short-term securities are those with an original term to maturity of one year or less, with the exception of Government of Canada securities where short-term securities are those with a remaining term to maturity of 3 years or less. Securities issued by official monetary institutions are to be reported in columns 132, 135, 138, 167 (see attached list of official monetary institutions).

Columns 145, 146, 147, 148 - Loans

All loans are to be reported at **balance sheet** value, gross of any allowance for impairment. Loans include lease receivables. Loans to official monetary institutions are to be reported in column 147 (see attached list of official monetary institutions).

Column 149 - Total Claims

Report the total of columns 128, 129, 139, 145, 148.

Columns 60, 61, 62, 150, 63- Distribution of Total Claims by Place of Booking

The total of column 149 is to be distributed according to the country in which the claim is booked. Other developed reporting countries (column 62) consist of countries included in the attached list of developed reporting countries – except for Canada, the U.S., and the UK. Offshore countries (column 150) consists of all countries included in the section B of the list of country codes (Offshore centers). The "other" (column 63) includes all other countries other than Canada, the U.S., the U.K., other reporting countries, and off-shore countries.

Columns 151, 152, 153, 425 - Distribution of Total Claims by Residual Term to Maturity

Distribute total claims (column 149) according to residual term to maturity. The maturity distribution should reflect amortization periods or final maturity dates, rather than interest adjustment or rollover dates. Installment loans should be allocated to the periods in which the installment payments are made. Demand loans should be classified as claims with a maturity of one year or less. If a claim involves a sinking fund, use the final maturity date. Equities are to be included in column 425 (unallocated) along with the data for which it is not necessary to report maturity, e.g., deposits with individual banks, securities holdings of specific issues amounting to \$200,000 or less, and loans made under authorizations of \$200,000 or less.

Deposit Taking Institutions - Reporting Manual - Bank of Canada Geographical Distribution of Assets and Liabilities Booked Outside of Canada (GR)

Examples for reporting of individual transactions*

B. Securities	Immediate borrower and outward risk (where applicable) reporting			Inward risk reporting			Country transfer
	Type of claim	Sector	Country	Type of claims	Sector	Country	
1. A Canadian bank in Japan has purchased securities in US dollars, issued by a subsidiary of a Japanese bank in the US. The issue of securities has been explicitly guaranteed by the parent.	cross border	bank	US	local in foreign currency	bank	Japan	outward: US inward: Japan

C. Derivatives	Ultimate risk reporting
	Country
1. A branch of a Canadian bank in Japan has bought interest rate derivatives issued by a branch of a UK bank in Japan	UK
2. A subsidiary of a Canadian bank in Japan has bought equity derivatives issued by a branch of a Canadian bank in Japan	Canada

D. Guarantees and credit commitments	Ultimate risk reporting	
	Type	Country
1. A subsidiary of a Canadian bank in Japan has guaranteed a loan extended by a Japanese bank to the branch of a UK bank in Japan	guarantee	UK
2. A branch of a Canadian bank in Japan has made a credit commitment to a corporate in Japan	credit commitment	Japan

* Please note that the term “bank” only refers to either head offices of banks or their legally independent and incorporated subsidiaries, but not to branches of banks which are referred to separately. In addition, the term “none” is meant to be a short version for “no reporting required”.

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

AMENDMENT CONTROL LOG

Consolidated Statement of Income, Retained Earnings and AOCI

Amendment Number	Effective Reporting Date	Page Number	Description
Please note that as of November 2002, all changes are highlighted:			
5	Q1 2003	1	<u>Change:</u> ♦ Ivation Data Systems Inc. to Beyond 20/20 Inc. <u>Delete:</u> ♦ Bank of Canada from Where to Submit
6	Q1 2004	1	<u>Add:</u> ♦ Address for OSFI Website <u>Delete:</u> ♦ Reference to Beyond 20/20
		8, 31	<u>Change:</u> ♦ Amortization Expenses has been changed to Amortization Expenses and Related Charges for Impairment
		31	<u>Change:</u> ♦ Definition of Goodwill amortization to impairment
7	Q1 2005	8, 31	<u>Change:</u> ♦ (l) Amortization Expenses and Related Charges for Impairment has been changed to Charge for Impairment for (i) Goodwill and (ii) Intangibles with indefinite lives <u>Add:</u> ♦ (m) Amortization Expenses with (i) Intangibles with definite lives and (ii) Other
		8, 9, 32, 33	<u>Add:</u> ♦ Discontinued Operations to items 32, 34, 39, 40, 41 and 42
		22	<u>Change:</u> ♦ Assets transferred with or without recourse has been changed to Assets sold. <u>Add:</u> ♦ Reference to OSFI Guidelines
		26	<u>Change:</u> ♦ Instruction to CICA Handbook reference
8	Q1 2007	1, 2	<u>Change:</u> ♦ Title from Consolidated Statement of Income to Consolidated Statement of Income, Retained Earnings and AOCI
		11, 35, 36	<u>Add:</u> ♦ Section IV – Comprehensive Income ♦ Schedule I – Comprehensive Income (Loss) ♦ Schedule II – Accumulated Other Comprehensive Income (Loss), Net of Income Taxes

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

AMENDMENT CONTROL LOG

Consolidated Statement of Income, **Retained Earnings and AOCI**

Amendment Number	Effective Reporting Date	Page Number	Description
Please note that as of November 2002, all changes are highlighted:			
		21	<u>Change:</u> ♦ Trading Account to Held for Trading for Income Expenses, item 18, Trading Income ♦ Investment Account to Held for Trading for Income Expenses, item 19, Gains (Losses) on instruments held for other than trading purposes
		25, 32	<u>Add:</u> ♦ 'Any hedge factor' to Income Expenses, item 20 (p), Other Commissions and Fees and Non Interest Expenses, item 26 (n), Other Expenses

CONSOLIDATED STATEMENT OF INCOME, RETAINED EARNINGS AND AOCI

PURPOSE

The purpose of this return is to provide a consolidated statement of income of the institution for the periods commencing either November 1 or January 1 and ending on the last days of either January, April, July and October or March, June, September and December. The income statement categories reflect the information required by the major users - the Office of the Superintendent of Financial Institutions, the Bank of Canada, Canada Deposit Insurance Corporation and Statistics Canada - for purposes of analyzing and monitoring the individual and aggregate financial condition of institutions. The return also requires the separation of interest income and expenses by booking location, residency and currency.

STATUTORY

Sections 628 and 600 of the Bank Act and Section 495 of the Trust and Loan Companies Act.

APPLICATION

This return applies to all deposit-taking institutions.

PUBLICATION

Certain information from this return is available on a total and institution-by-institution basis on the OSFI website at www.osfi-bsif.gc.ca.

FREQUENCY

Institutions with fiscal year-ends of October - Quarterly - January, April, July and October
Institutions with fiscal year-ends of December - Quarterly - March, June, September and December

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 as of the last day of each quarter and submitted within 45 days of the reporting date for the first three quarters and within 60 days of the last quarter as follows:

Institutions with fiscal year-ends of October - January, April, July and October
Institutions with fiscal year-ends of December - March, June, September and December

CONTACT AGENCY

OSFI.

CONSOLIDATED STATEMENT OF INCOME, **RETAINED EARNINGS AND AOCI**

	Booked In Canada				Booked Outside Canada		Total Bookd In and Outside Canada Year to Date
	Residents		Non-residents		Canadian Currency	Foreign Currency	
	Canadian Currency	Foreign Currency	Canadian Currency	Foreign Currency			
SECTION I - INTEREST INCOME/EXPENSE							
INTEREST INCOME							
1. DEPOSITS WITH REGULATED FINANCIAL INSTITUTIONS							
(a) Income from Deposits with Regulated Financial Institutions							
2. SECURITIES							
(a) Government of Canada Treasury Bills							
(b) Other Securities Issued or Guaranteed by Canada							
(c) Securities Issued or Guaranteed by Canadian Provinces, Municipal or School Corporations							
(d) Other Securities							
(i) Debt							
(ii) Shares							
(e) Securities Income of Securities Subsidiary							
3. NON-MORTGAGE LOANS TO INDIVIDUALS FOR NON-BUSINESS PURPOSES							
(a) Personal Loan Plans							
(b) Credit Card							
(c) Other Personal							

SECTION IV – COMPREHENSIVE INCOME

SCHEDULE 1 – COMPREHENSIVE INCOME (LOSS)

	YEAR-TO-DATE
1. NET INCOME	
2. OTHER COMPREHENSIVE INCOME (LOSS)	
(a) Available for sale securities (i) Change in unrealized gains and losses (A) Equities (B) Debt (C) Loans (ii) Reclassification to earnings of gains/(losses) (b) Derivatives designated as cash flow hedges (i) Change in unrealized gains and losses (ii) Reclassification to earnings of gains/(losses) (c) Foreign currency translation (i) Change in unrealized gains and losses (ii) Impact of hedging	
3. TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	
TOTAL COMPREHENSIVE INCOME (LOSS)	

SCHEDULE 2 – ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS), NET AFTER TAXES

1. ACCUMULATED GAINS/(LOSSES) ON:	
(a) Available for sale securities (i) Equities (ii) Debt (iii) Loans (b) Derivatives designated as cash flow hedges (c) Foreign currency translation, net of hedging activities	
TOTAL	

SECTION II - NON-INTEREST INCOME AND EXPENSES

GENERAL INSTRUCTIONS

Section II requires a split of non-interest income and expenses on a booked in Canada and booked outside Canada basis only.

18. TRADING INCOME

Include:

- realized and unrealized gains (losses) on **Held for** Trading instruments other than derivatives;
- realized and unrealized gains (losses) on interest rate, equity, commodity and other derivative contracts held for trading purposes, including forward, futures, swap and options contracts;
- realized and unrealized gains (losses) on foreign exchange contracts held for trading purposes, including forward, futures, swap and options contracts, and revaluation gains (losses) on spot trading positions;
- realized and unrealized gains (losses) on gold and silver bullion and other precious metals held for trading purposes;
- realized and unrealized gains (losses) on derivative contracts and other instruments used to hedge instruments held for trading purposes.

Other Instructions:

Realized and unrealized gains (losses) on derivative instruments held for trading purposes include all revenues and expenses directly related to these instruments.

For purposes of disclosing the “Revenue from Trading Activities” under the requirements of OSFI Guideline D-6, Derivatives Disclosure, reporting all revenues and expenses on derivative instruments held for trading purposes as part of net gains or losses (whether realized or unrealized) would be considered to be consistent with the Guideline.

19. GAINS (LOSSES) ON INSTRUMENTS HELD FOR OTHER THAN TRADING PURPOSES

Include:

- realized gains (losses) **from sales of securities held for other than trading purposes**;
- charges for permanent impairment in the value of **these** securities;
- realized gains (losses) on interest rate, foreign exchange, equity, commodity and other derivative contracts held for other than trading purposes, including forward, futures, swap and options contracts;
- realized gains (losses) on gold and silver bullion and other precious metals held for other than trading purposes.

Other Instructions:

The income statement effects of hedging transactions, or “conversion” transactions such as interest rate swaps, should follow the classification of the income statement effects of the underlying instrument or position.

(o) Foreign Exchange Revenue Other Than Trading

Include:

- income from foreign exchange and precious metals related activities other than trading, e.g. branch commissions.

(p) Other Commissions and Fees

Include:

- revenues received for preparing customer interest statements, mortgage calculations, transcribing statements and other services of a special nature not classified elsewhere, including letters written on behalf of customers for immigration or other purposes, listing contents of safety deposit boxes, envelopes and packages held for safekeeping, and conducting a search for vouchers;
- commissions charged for obtaining credit reports for customers and for providing credit reports on customers to outside parties;
- advisory fees, where the institution receives a periodic contractual fee for management or other services (unrelated to the institution's general financial operations) performed on behalf of third parties;
- income from audit confirmations with respect to customers' accounts, securities held for safekeeping and loan positions;
- all profits and losses, on the disposal of premises with the exception of sale lease-back situations;
- any write-down of the value of land;
- any revenue generated by providing telecommunications services (such as transmission of information, electronic information transfers, etc.) provided for customers;
- rental income net of related expense on real estate investment properties
- profit or loss realized by leasing subsidiaries from the sale of equipment previously leased;
- **any hedge ineffectiveness**;
- any other income not itemized elsewhere.

(q) Insurance-Related Non-Interest Income

(i) Premium Income

(A) Insurance

Include:

- all premiums related to insurance operations other than annuity considerations.

(B) Annuities

Include:

- annuity premiums.

LESS:

(ii) Policy Benefits Expenses

(l) Charge for Impairment (before taxes)

(i) Goodwill

- when the carrying amount of Goodwill exceeds its fair value, an impairment loss should be recognized in an amount equal to the excess.

(ii) Intangibles with indefinite lives

Include:

- all charges for impairment on intangibles with indefinite lives

(m) Amortization Expenses

(i) Intangibles with definite lives

(ii) Other

Include:

- amortization expenses other than for goodwill or intangibles

(n) Other Expenses

Include:

- the portion of the Goods and Services Tax input tax credit that represents a recovery of the Goods and Services Tax that has been previously expensed in the income statement;
- amounts paid for obtaining credit reports for customers and for providing credit reports on customers to outside parties;
- the net of losses absorbed by the institution as a result of defalcations, thefts, fraud, forgeries, tellers' shortages, cash overages, branch errors, lost items, etc.;
- any hedge ineffectiveness;
- general expenses not elsewhere reported.

Exclude:

- fraud losses where the loss pertains to funds advanced to the customer in the form of loans or overdrafts; these losses are reported as part of loan loss experience.

27. TOTAL NON-INTEREST EXPENSES

Total of Items 24, 25 and 26.

28. NET INCOME BEFORE PROVISION FOR INCOME TAXES

Report Item 23 less Item 27.

SECTION IV – COMPREHENSIVE INCOME

GENERAL INSTRUCTIONS

CICA Handbook S.1530 is effective for fiscal years beginning on or after October 1, 2006. Institutions are not required to report prior period numbers in Section IV in the year of transition. Transitional amounts on adoption of the accounting standards for Financial Instruments are to be allocated within their appropriate classification in Schedule 2, Accumulated Other Comprehensive Income (Loss), Net of Income Taxes.

SCHEDULE 1 – COMPREHENSIVE INCOME (LOSS)

1. NET INCOME

Include:

- Net Income as reported under Item 35.

2. OTHER COMPREHENSIVE INCOME (LOSS)

(a) Available for Sale Securities

(i) Change in Unrealized Gains and Losses

Include:

- Report the after-tax period change in fair values for securities classified as Available for Sale by security type (equities, debt, loans).

(ii) Reclassification to Earnings of Gains/(Losses)

Include:

- In accordance with CICA Handbook S.1530, report the after-tax adjustment to reclassify amounts of revenue, expense, gain and loss previously recognized in other comprehensive income, for securities classified as Available for Sale, to the income statement.

(b) Derivatives Designated as Cash Flow Hedges

(i) Change in Unrealized Gains and Losses

Include:

- Report the after-tax period change in unrealized gains and losses for effective cash flow hedging instruments.

(ii) Reclassification to Earnings of Gains/(Losses)

Include:

- In accordance with CICA Handbook S.1530, report the after-tax adjustment to reclassify amounts of revenue, expense, gain and loss previously recognized in other comprehensive income, under the classification of Derivatives Designated as Cash Flow Hedges, to the income statement.

(c) Foreign Currency Translation

(i) Change in Unrealized Gains and Losses

Include:

- Report the after-tax period change in gains and losses from the translation of the financial statements of self-sustaining foreign operations.

(ii) Reclassification to Earnings of Gains/(Losses)

Include:

- In accordance with CICA Handbook S.1530, report the after-tax adjustment to reclassify amounts of revenue, expense, gain and loss previously recognized in other comprehensive income as Foreign Currency Translation, to the income statement.

3. TOTAL OTHER COMPREHENSIVE INCOME (LOSS)

Report balance at the end of the period for Other Comprehensive Income (Loss).

4. TOTAL COMPREHENSIVE INCOME (LOSS)

Report total of all Items listed in Schedule 1, Other Comprehensive Income (Loss).

**SCHEDULE 2 – ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS),
NET OF INCOME TAXES**

1. ACCUMULATED GAINS (LOSSES)

(a) Available for Sale Securities

Include:

- Report the cumulative effect of after-tax period changes in fair values for securities classified as Available for Sale by security type (equities, debt, loans).

(b) Derivatives Designated as Cash Flow Hedges

Include:

- Report the cumulative effect of after-tax period changes in unrealized gains and losses for effective cash flow hedging instruments.

(c) Foreign Currency Translation

Include:

- Report the after-tax period change in gains and losses from the translation of financial statements of a self-sustaining foreign operations. In the year of transition, include the amount for the opening balance of Foreign Currency Translation.

2. TOTAL

Report balance at the end of the period.

Manual of Reporting Forms and Instructions for Deposit-Taking Institutions

AMENDMENT CONTROL LOG

Non-Mortgage Loans

Amendment Number	Effective Reporting Date	Page Number	Description
Please note that throughout this Tab, the following changes are all identified by a sidebar:			
1	Q1 1999	18, 19	<u>Delete:</u> ♦ Federal Government Enterprises which have been privatized: - Canadian Commercial Corporation - Canadian National Railway Company and subsidiaries - Canarctic Shipping Company Ltd. - Petro-Canada and subsidiaries
2	Q1 2000	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 ♦ The Bank of Canada Review is now called: Bank of Canada Banking and Financial Statistics
3	Q1 2005	4, 14	<u>Delete:</u> ♦ Country Risk Allowances
4	Q1 2007	6	<u>Change:</u> ♦ Alberta Treasury Branches to ATB Financial <u>Delete:</u> ♦ Province of Ontario Savings Office
		7, 10, 16	<u>Change:</u> ♦ Export Development Corporation to Export Development Canada ♦ Farm Credit Corporation to Farm Credit Canada ♦ Alberta Treasury Branches to ATB Financial <u>Delete:</u> ♦ Province of Ontario Savings Office
		16	<u>Change:</u> ♦ Alberta Municipal Financial Corporation to Alberta Capital Finance Authority

GENERAL INSTRUCTIONS

This return expands on the information reported in Asset 11 of the balance sheet. The return requires loans to be classified by institutional sector. Loans are to be reported gross of allowance for impairment. Also reported in the return are allowance for impairment and gross impaired loans both for broad categories of loans. All loans are to be reported wherever booked. Gross loan information is to be reported separately for residents and non-residents.

The concept of institutional sectors used in this return conforms with the definitions of financial flow sector accounts detailed in the attached Definition of Financial Flow Sectors. This concept is also used in the Securities Report and the Return of Deposit Liabilities Classified by Institutional Sector.

The return also makes use of the 1980 Statistics Canada Standard Industrial Classification (SIC) to identify borrowers.

Note that both the Definitions of Financial Flow Sectors and the Statistics Canada Standard Industrial Classification speak only to the Canadian situation. These must be adapted by institutions, as necessary for borrowers outside of Canada.

Non-residents

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.

1. Financial institutions

- (a) Call and other short loans to investment dealers and brokers, secured

See SIC, Division K, Group 741.

The amount reported under Item 1(a) must relate to Item 11(a) on the balance sheet, gross of any allowance for impairment.

- (b) Deposit-taking institutions

Include:

- all chartered banks in Canada, (see SIC, Division K, Class 7021) banks elsewhere and credit unions, caisse populaires, trust companies and mortgage loan companies (see SIC, Division K, Classes 7031, 7041, 7042, 7051, 7052 and 7099);

Exclude:

- public deposit-taking institutions such as **ATB Financial** (see SIC, Division K, Class 7029) that are reported under 1(g);

- (c) Consumer and business finance companies

See SIC, Division K, Major Group 71.

(d) Investment Companies

Include:

- see SIC, Division K, Major Group 72.

Exclude:

- trustee pension funds (class 7291) and other pension funds (class 7299) which are reported under 1(f).

(e) Insurance Companies

Include:

- life insurance companies, fraternal benefit societies and property and casualty insurance companies (see SIC, Division K, Major Group 73 - non-government).

Exclude:

- Canada Deposit Insurance Corporation (class 7321 - government) which is to be reported under 1(g).

(f) Pension Funds

Include:

- see SIC, Division K, Class 7291 and other pension funds (Class 7299).

(g) Other

Include:

- mortgage brokers, security and commodity exchanges and other financial institutions (SIC, Division K, Group 742, 743 and 749);
- public financial institutions, such as: Canada Deposit Insurance Corporation, Canada Mortgage and Housing Corporation, Export Development **Canada**, Farm Credit **Canada**, Business Development Bank of Canada **and ATB Financial** (see SIC, Division K, Class 7029 and see conceptual overview in the Definition of Financial Flow Sectors);
- foreign public financial institutions that are similar to those operating in Canada;
- loans to foreign central banks or foreign official monetary institutions.

2. Canadian Governments

Include:

- loans to all emanations of government that do not carry on a business or that do not have their own borrowing authority.

(a) Federal

Include:

- all loans to the Government of Canada.

(a) Public sector

Include:

- loans to all emanations of governments that carry on a business or that have their own borrowing authority (see conceptual overview in the Definition of Financial Flow Sectors). A list of Canadian Federal and Provincial enterprises and their subsidiaries compiled by Statistics Canada is included in the Appendix "Definitions of Financial Flow Sectors".
- all Canadian and foreign public corporations in which Canadian or foreign governments hold at least 50 per cent of the voting stock and any subsidiaries of those companies.

Exclude:

- Canada Deposit Insurance Corporation, Canada Mortgage and Housing Corporation, Export Development Canada, Farm Credit Canada, Business Development Bank of Canada and ATB Financial, which are to be reported under Item 1(g).

(b) Private sector

Include:

- all resident and non-resident corporations and unincorporated businesses except financial institutions and government enterprises reported elsewhere in this report.

(i) Agriculture

See SIC, Division A, Major Groups 01 and 02.

(ii) Fishing and Trapping

See SIC, Division B, Major Group 03.

(iii) Logging and Forestry

See SIC, Division C, Major Groups 04 and 05.

(iv) Mining, Quarrying and Oil Wells

(A) Mining

See SIC, Division D, Major Group 06.

(B) Energy - Oil and gas

See SIC, Division D, Major Group 07.

(C) Other

See SIC, Division D, Major Groups 08 and 09.

DEFINITIONS OF FINANCIAL FLOW SECTORS

Note that the conceptual framework of Financial Flow Sectors set out below speaks only to the Canadian situation.

For three returns (*Non-Mortgage Loans Assets Classified by Institutional Sector; Securities Report; and Deposit Liabilities Classified by Institutional Sector*), the concept of institutional sectors is used. These sectors and a brief explanation of them are:

I. Provincial and/or Municipal Government

Include transactions with social insurance programs operated by governments (e.g., Workmen's Compensation Board), non-trusted public service pension plans operated outside the governmental budgetary framework (e.g., Public Service Superannuation Fund (Ontario)) and public hospitals.

II. Public Financial and Non-Financial Institutions

These are defined as enterprises which are of a commercial nature and charge a price for their goods and services related to their costs of production. Typically, these institutions are engaged in manufacturing, lending, insurance, transportation, communication, the provision of electric power, and the distribution of liquor through provincial liquor boards.

Institutions included in this category typically are characterized by the following:

- (a) the institution must have a statutory basis which directs it to produce a good or a service for sale on the market at a price related cost,
- (b) the institution maintains financial accounts separate from those of the government which established it and charges costs of production against revenue,
- (c) management of the institution is relatively autonomous.

Not included are organizations which:

- (a) are wholly or primarily engaged in the business of effective intergovernmental flows of funds (e.g., Alberta **Capital Finance Authority**), or
- (b) wholly or primarily engaged in the business of selling their output to the government which established them. Such organizations are included in their respective government sectors.

A. Public Financial Institutions

Include the Canada Deposit Insurance Corporation, Canada Mortgage and Housing Corporation, Export Development **Canada**, Farm Credit **Canada**, Business Development Bank of Canada **and ATB Financial**.

Manual of Reporting Forms and Instructions for Deposit-Taking Institutions

AMENDMENT CONTROL LOG

Quarterly Supplementary Return for Foreign Bank Branches

Amendment Number	Effective Reporting Date	Page Number	Description
Please note that as of November 2002, all changes are highlighted:			
1	Q1 2003	2, 5	<u>Change:</u> ♦ Section II – Due to(from) Head Office Reconciliation to Head Office Account Reconciliation ♦ 1. & 4. - Due to(from) Head Office to Due to Head Office less Due from Head Office
		2	<u>Delete:</u> ♦ Reference to Notes 2 and 3
		3	<u>Change:</u> ♦ Section III - 1. & 5. - Deposits of \$150,000 or less to Deposits less than \$150,000 ♦ Memo Items – 1. Deposits of \$150,000 or less from to Deposits less than \$150,000 <u>Delete:</u> ♦ Notes 2. and 3.
		4	<u>Delete:</u> ♦ Reference to new return
		5	<u>Delete:</u> ♦ 2 nd and 3 rd paragraphs under Section II <u>Change:</u> ♦ under Section III and Memo Items – deposits of \$150,000 or less to deposits less than \$150,000
2	Q1 2007	2	<u>Change:</u> ♦ Book value to Balance sheet value ♦ On-balance sheet to Recognized ♦ Off-balance sheet to Unrecognized ♦ Branch net income (loss) to Total Comprehensive Income (Loss)
		5	<u>Change:</u> ♦ Off-balance sheet to Unrecognized

SECTION I - CAPITAL EQUIVALENCY REPORT

Amounts in Section I are to be reported as at quarter-end and for the average of the fiscal quarter.

Foreign bank branches are to report the amounts of investment in custody with its depository.

For line 2(c) **unrecognized** items - credit equivalent amounts must be reported for these items. Credit equivalent amounts are calculated by multiplying the notional principal amounts by the indicated credit conversion factors.

Please refer to OSFI Guideline A10 - Capital Equivalency Deposit for additional guidance to this section.

SECTION II - HEAD OFFICE ACCOUNT RECONCILIATION

Section II covers all transactions of the reporting branch with its head office, including branch net income (loss) and the amount of group allowance for credit risk booked at the branch.

SECTION III - DE MINIMUS DEPOSIT RETURN

Foreign bank branches are to report deposits less than \$150,000 and those qualified as prescribed deposits under this section. The allowable amount of deposits less than \$150,000 and the definition of prescribed deposits are outlined under Section 545 of the Bank Act and the related *Prescribed Deposits (Authorized Foreign Banks) Regulations* dated February 10, 2000.

In lines 1 to 4 the information is to be reported as at quarter-end and in lines 5 to 8 the information is to be reported for the average of the fiscal quarter.

MEMO ITEMS 1 - LINES (a) TO (c)

Report deposits less than \$150,000 with Head Office, related financial institutions outside Canada and related Canadian regulated financial institutions. Amounts to be reported as at fiscal quarter-end and for the average of the fiscal quarter.

Manual of Reporting Forms and Instructions for Deposit-Taking Institutions

AMENDMENT CONTROL LOG

Regional Distribution of Assets and Liabilities

Amendment Number	Effective Reporting Date	Page Number	Description
Please note that as of November 2002, all changes are highlighted			
1	Q1 1998	After 20	<u>Delete:</u> ♦ “Cross Revenue of Loans” schedule for reporting periods before December 1994.
2	Q1 1999	6	<u>Change:</u> ♦ The lines for notice deposits were changed. This correction applies only to page 6.
3	Q1 2000	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 ♦ The Bank of Canada Review is now called: Bank of Canada Banking and Financial Statistics
		2 - 8	<u>Add:</u> ♦ Nunavut Territory
4	Q1 2002	8	<u>Add:</u> ♦ General Allocation Rule (g) for the reporting of internet banking.
5	Q1 2004	9 - 15	<u>Add:</u> ♦ For business done via the internet, allocate by address of the customer
6	Q1 2005	6	<u>Add:</u> ♦ Foreign Currency Translation Adjustments
7	Q1 2006	1	<u>Add:</u> ♦ Section 24 of the Bank of Canada Act <u>Change:</u> ♦ Contact Agency to Bank of Canada
		2, 6, 8, 15	<u>Delete:</u> ♦ “net” from Cheques and other items in transit
8	Q1 2007	6	<u>Change:</u> ♦ Foreign currency translation adjustments to Accumulated other comprehensive income (loss)
		8, 15	<u>Change:</u> ♦ Instructions under Cheques and other items in transit

REGIONAL DISTRIBUTION OF ASSETS AND LIABILITIES

Note: each line item to be split by Canadian and foreign currency.

																Total
	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	N.W.T.	Nun.	Yuk.	In Canada Unallocated	International	
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 Allowance for impairment Asset 5.																
6. Cheques and other items in transit																
7. Securities issued or guaranteed by Canada																
8. Securities issued or guaranteed by a Canadian province																
9. Securities issued or guaranteed by a Canadian municipal or school corporation																
10. Other securities Allowance for impairment Asset 10.																
11. Non-mortgage Loans																
(a) Call and other short loans to investment dealers and brokers, secured																
(b) To regulated financial institutions Allowance for impairment Asset 11.(b)																
(c) To Canadian federal government, provinces, municipalities or school corporations																

															Total	
	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	N.W.T.	Nun.	Yuk.	In Canada Unallocated		International
3. Fixed-Term Deposits																
(a) Canada																
(b) Provinces																
(c) Deposit-taking institutions																
(d) Individuals																
(i) Tax-sheltered																
(ii) Other																
(e) Others																
4. Cheques and other items in transit																
5. Advances from the Bank of Canada																
6. Acceptances																
7. Liabilities of subsidiaries, other than deposits																
8. Insurance-related liabilities																
9. Other liabilities																
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) Accumulated Other Comprehensive Income (Loss)																
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY																

ASSETS

A 1 Gold coin and gold and silver bullion

All gold, silver and other precious metal booked in Canada to be allocated to In Canada Unallocated.

A 2 Bank notes and Other coin

By location of the branch where assets are held.

A 3 Not in use

A 4 Deposits with Bank of Canada

The total amount to be allocated to In Canada Unallocated.

A 5 Deposits with Regulated financial institutions

Deposits with resident regulated financial institutions to be allocated to In Canada Unallocated.

Allowance for impairment

Allocate the allowance for impairment on deposits with regulated financial institutions to the International and In Canada Unallocated categories as appropriate.

A 6 Cheques and other items in transit

For items that meet the criteria for offsetting in accordance with CICA Handbook S. 3861, report the net balance (when that balance is a debit) of all accounts representing outstanding inter-institution and inter-branch entries, settlements and other items in transit.

If the foreign currency items in transit are a credit, although the total figure is a debit, report the foreign currency credit amount with a minus sign.

A 7 Securities issued or guaranteed by Canada

Report all securities issued or guaranteed by Canada as In Canada Unallocated regardless of where booked.

A 8 Securities issued or guaranteed by a Canadian province

To be allocated by province of issue regardless of where booked.

Exception: Acquired security subsidiaries are to allocate their holdings of securities issued or guaranteed by a Canadian province to In Canada Unallocated.

(b) Provinces

To be allocated by creditor province regardless of where booked.

(c) Deposit-taking institutions

Deposits by resident deposit-taking institutions to be allocated to In Canada Unallocated regardless of where booked.

(d) Individuals

(i) Tax-sheltered

Deposits by resident individuals to be allocated by location of the branch holding the deposit or allocated by address of the holder where the institution accounts for these deposits centrally.

(ii) Other

Deposits by resident individuals to be allocated by location of the branch holding the deposit. For business done via the internet, allocate by address of the customer.

(e) Others

Deposits by resident others to be allocated by location of the branch holding the deposit. For business done via the internet, allocate by address of the customer.

L 4 Cheques and other items in transit

For items that meet the criteria for offsetting in accordance with CICA Handbook S. 3861, report the net balance (when that balance is a credit) of transit items.

If the foreign currency items in transit are a debit, although the total figure is a credit, report the foreign currency debit amount with a minus sign.

L 5 Advances from the Bank of Canada

Total amount to be allocated to In Canada Unallocated.

L 6 Acceptances

Acceptances relating to residents to be allocated by location of the branch where liability is recorded. Allocation is to be in agreement with Asset 13. For business done via the internet, allocate by address of the customer.

Manual of Reporting Forms and Instructions for Deposit-Taking Institutions

AMENDMENT CONTROL LOG

Securities Report

Amendment Number	Effective Reporting Date	Page Number	Description
Please note that as of November 2002, all changes are highlighted			
1	Q1 1998	2, 5, 6, 7	<u>Delete:</u> ♦ Reference to the phase in of the report - December 1995.
2	Q1 1999	12, 13	<u>Delete:</u> ♦ Federal Government Enterprises which have been privatized: - Canadian Commercial Corporation - Canadian National Railway Company and subsidiaries - Canarctic Shipping Company Ltd. - Petro-Canada and subsidiaries
3	Q1 2000	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
4	Q1 2006	1	<u>Add:</u> ♦ Section 24 of the Bank of Canada Act <u>Change:</u> ♦ Contact Agency to Bank of Canada
5	Q4 2006 for October Year end DTI's and Q1 2007 for December Year end DTI's.	2, 3, 4, 6, 7, 9	<u>Change:</u> ♦ Book Value to Balance Sheet Value
		3, 7	<u>Change:</u> ♦ Section II title from Investment Account, Other Securities by Sector, (less allowance for impairment) to Other Securities Distributed by Sector <u>Add:</u> ♦ Line 4, Unallocated
		4, 9	<u>Change:</u> ♦ Section III title from Trading Account Securities to Securities Held for Trading ♦ Section IV title from Book and Market Values for Total Securities to Total Securities <u>Delete:</u> ♦ Subtotal, Section IV ♦ Line 2, Trading Account ♦ Market Value Column
		8, 10	<u>Change:</u> ♦ Export Development Corporation to Export Development Canada ♦ Farm Credit Corporation to Farm Credit Canada ♦ Alberta Treasury Branches to ATB Financial <u>Delete:</u> ♦ Province of Ontario Savings Office

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

AMENDMENT CONTROL LOG

Securities Report

Amendment Number	Effective Reporting Date	Page Number	Description
Please note that as of November 2002, all changes are highlighted			
		9	<u>Delete:</u> ◆ Note: under Section III, 2. Other Securities
		10	<u>Change:</u> ◆ Alberta Municipal Financial Corporation to Alberta Capital Finance Authority

SECURITIES REPORT (Quarterly)

SECTION I - TOTAL SECURITIES	BALANCE SHEET VALUE			
	RESIDENT		NON-RESIDENT	
	FC	TC	FC	TC
1. Securities Issued or Guaranteed by				
(a) Canada				
(i) Short-term				
(ii) Long-term				
(iii) Shares				
Sub-total				
(b) Provinces				
(i) Short-term				
(ii) Long-term				
(iii) Shares				
Sub-total				
(c) Municipal or School Corporations				
(i) Short-term				
(ii) Long-term				
(iii) Shares				
Sub-total				
2. Other Securities (Less Allowance for Impairment)				
(a) Short-term				
(b) Long-term				
(c) Shares				
Sub-total				
TOTAL				
MEMO ITEMS:				
1. Other Securities, less allowance for impairment				
(a) Financial Institutions				
(i) Short-term				
(ii) Long-term				
(iii) Shares				
(b) Non-financial Corporations				
(i) Short-term				
(ii) Long-term				
(iii) Shares				

SECTION II OTHER SECURITIES DISTRIBUTED BY SECTOR (LESS ALLOWANCE FOR IMPAIRMENT)	BALANCE SHEET VALUE			
	RESIDENT		NON-RESIDENT	
	FC	TC	FC	TC
1. Foreign Government				
2. Financial Institutions (a) Deposit-taking (b) Other				
Sub-total				
3. Non-Financial Corporations (a) Public (b) Private (i) Agriculture (ii) Fishing and Trapping (iii) Logging and Forestry (iv) Mining, Quarrying, Oil Wells (v) Manufacturing (vi) Construction/Real Estate (vii) Transportation, Communication, Other Utilities (viii) Wholesale Trade (ix) Retail (x) Service (xi) Multi-Product Conglomerates (xii) Other				
Sub-total				
4. Unallocated				
TOTAL				

SECTION III – SECURITIES HELD FOR TRADING (LESS ALLOWANCE FOR IMPAIRMENT)	BALANCE SHEET VALUE	
	RESIDENT	NON-RESIDENT
1. Issued or Guaranteed by Canada, Province, Municipal or School Corporations		
2. Other Securities		
TOTAL		

SECTION IV -TOTAL SECURITIES	BALANCE SHEET VALUE
1. TOTAL SECURITIES (a) Canada (b) Provinces (c) Municipalities (d) Other: (i) Foreign Governments (ii) Financial Institutions (iii) Non-financial Institutions (iv) Unallocated	
TOTAL SECURITIES	

SECTION I - TOTAL SECURITIES

Please ensure that the figures in this return reconcile with the institution's balance sheet.

Securities Issued or Guaranteed by Canada

Short-term means, for securities Issued or Guaranteed by Canada, any security having a remaining term to maturity of three years or less.

Long-term means, for securities Issued or Guaranteed by Canada, any security having a remaining term to maturity of greater than three years.

Report the **balance sheet** value of holdings of Canada issued or guaranteed securities broken down into the three categories shown in the return.

Provinces

Short-term means any security having an original term to maturity of one year or less.

Long-term means any security having an original term to maturity of greater than one year.

Report the **balance sheet** value of holdings of Provincial issued or guaranteed securities broken down into the three categories shown in the return.

Municipal or School Corporations

Short-term means any security having an original term to maturity of one year or less.

Long-term means any security having an original term to maturity of greater than one year.

Report the **balance sheet** value of holdings of Canadian municipal or school corporations securities broken down into the three categories shown in the return.

Other Securities

Report all figures net of Allowance for Impairment.

Short-term means any security having an original term to maturity of one year or less.

Long-term means any security having an original term to maturity of greater than one year.

Report the **balance sheet** value of holdings of other securities broken into the three categories shown in the return and between resident and non-resident.

Memo Items

Report all figures net of the allowance for impairment.

Short-term means any security having an original term to maturity of one year or less.

Report the **balance sheet** value of holdings of other securities between financial and non-financial public and private corporations broken into the three categories as shown in the report but only for residents. Effective December 1995, the split between public and private non-financial corporations is not required.

The sums of the memo items for other securities should agree to the sub-total for other securities reported under the resident columns, i.e. Other Securities, short-term, long-term and shares (lines 2(a), (b) and (c)).

SECTION II - OTHER SECURITIES **DISTRIBUTED BY SECTOR**

Report all figures net of **any** allowance for impairment.

In Section II, report those securities of Asset 10, Other Securities, **distributed by sector to the same extent as they were reported prior to Q4 2006. Report other securities that cannot be distributed by sector in line 4 "Unallocated"**.

Note: The totals reported in Section II must equal Asset 10 as reported on the Balance Sheet.

Securities issued by residents are to be reported on lines 2(a), (b), 3(a) and (b)(i) to (xii).

Securities issued by non-residents are to be reported in total on lines 1, 2 and 3.

The concept of institutional sectors used in this return conforms with the definitions of financial flow sector accounts detailed in the attached Definition of Financial Flow Sectors. This concept is also used in the Non-Mortgage Loans Report and the Return of Deposit Liabilities Classified by Institutional Sectors.

The return also makes use of the 1980 Statistics Canada Standard Industrial Classification (SIC) to identify issuers of securities.

Note that both the Definitions of Financial Flow Sectors and the Statistics Canada Standard Industrial Classification speak only to the Canadian situation. These must be adapted by institutions, as necessary for issuers of securities outside of Canada.

Non-Residents

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.

1. Foreign Governments

Include:

- all emanations of national, state, district or municipal level governments, outside Canada, that do not have their own borrowing authority.

Exclude:

- securities of government boards, corporations and commissions that are separately constituted and carry on business enterprises. Securities from this latter group are to be reported on the sub-total line for item 3, Non-financial Corporations.

2. Financial Institutions

(a) Deposit-taking Institutions

Include:

- all deposit-taking institutions in Canada, credit unions and caisses populaires, trust companies and mortgage loan companies.

(b) Other Financial Institutions

Include:

- life insurance companies, fraternal benefit societies, fire and casualty insurance companies, trustee pension plans, investment dealers, mutual funds, closed-ends funds, mortgage investment funds, sales finance and consumer loan companies, and other private financial institutions (such as holding companies, financial leasing companies, venture capital companies and other business finance companies);
- Canada Deposit Insurance Corporation (CDIC), Canada Mortgage and Housing Corporation (CMHC), Export Development Canada, Farm Credit Canada (FCC), Business Development Bank of Canada (BDC) and ATB Financial.

Non-resident Financial Institutions

Foreign Financial Institution include foreign entities similar to those Canadian entities above plus Foreign official monetary institutions such as treasuries, ministers of Finance, finance or corresponding government departments, central banks, stabilization funds, equalization accounts, exchange control authorities or any similar fiscal agencies (including government-owned corporations) which act as government agents and which have an important function or functions similar to those of treasury, central bank or stabilization fund.

3. Non-Financial Corporation

The sectorial split in this section of the return is the same as in the return for Non-Mortgage Loans Assets Classified by Institutional Sectors. Please refer to Item 6 of the instructions for the completion of the Non-Mortgage Loans Return for the details of what should be included in each line item, including SIC codes.

SECTION III – SECURITIES HELD FOR TRADING

Report all figures net of any allowance for impairment.

1. Issued or Guaranteed by Canada, Province, Municipal or School Corporation

Report the total balance sheet value of the securities classified as Held for Trading under CICA Handbook S. 3855.19 (f)(i) included in Assets 7, 8 and 9.

2. Other Securities

Report the balance sheet value of securities classified as Held for Trading under CICA Handbook S. 3855.19 (f)(i) included in Asset 10 split between resident and non-resident issuers.

SECTION IV - TOTAL SECURITIES

Report the balance sheet values for Canada, Provinces, Municipalities and Other Securities. Total Securities should equal the total of Assets 7, 8, 9 and 10 on the Balance Sheet.

Report all other securities in line item 1.(d)(iv) that are not included in other line items in Section IV.

DEFINITIONS OF FINANCIAL FLOW SECTORS

Note that the conceptual framework of Financial Flow Sectors set out below speaks only to the Canadian situation.

For three returns (*Non-Mortgage Loans Assets Classified by Institutional Sector; Securities Report; and Deposit Liabilities Classified by Institutional Sector*), the concept of institutional sectors is used. These sectors and a brief explanation of them are:

I. Provincial and/or Municipal Government

Include transactions with social insurance programs operated by governments (e.g., Workmen's Compensation Board), non-trusted public service pension plans operated outside the governmental budgetary framework (e.g., Public Service Superannuation Fund (Ontario)) and public hospitals.

II. Public Financial and Non-Financial Institutions

These are defined as enterprises which are of a commercial nature and charge a price for their goods and services related to their costs of production. Typically, these institutions are engaged in manufacturing, lending, insurance, transportation, communication, the provision of electric power, and the distribution of liquor through provincial liquor boards.

Institutions included in this category typically are characterized by the following:

- (a) the institution must have a statutory basis which directs it to produce a good or a service for sale on the market at a price related cost,
- (b) the institution maintains financial accounts separate from those of the government which established it and charges costs of production against revenue,
- (c) management of the institution is relatively autonomous.

Not included are organizations which:

- (a) are wholly or primarily engaged in the business of effective intergovernmental flows of funds (e.g., Alberta **Capital Finance Authority**), or
- (b) wholly or primarily engaged in the business of selling their output to the government which established them. Such organizations are included in their respective government sectors.

A. Public Financial Institutions

Include the Canada Deposit Insurance Corporation, Canada Mortgage and Housing Corporation, Export Development **Canada**, Farm Credit **Canada**, Business Development Bank of Canada **and ATB Financial**.