

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

## AMENDMENT CONTROL LOG

### Consolidated Balance Sheet

Amendment Number	Effective Reporting Date	Page Number	Description
<b>Please note that as of November 2002, all changes are highlighted:</b>			
1	November 1997	5, 29	<u>Add:</u> ♦ Liabilities side: - Memo item #3, "Electronic Cash Cards"
2	November 1998	3, 18, 19	<u>Add:</u> ♦ Asset side: - Memo item #3, "Securitized Assets"
3	January 2000	1	<u>Add:</u> ♦ Section 600 of the Bank Act (applies to Foreign Bank Branches) ♦ Information on disclosure  <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
		7	<u>Change:</u> ♦ Items to be included in the Deposits with Bank of Canada (Asset 4)
		3, 16, 20	<u>Add:</u> ♦ Asset side: Due from Head Office and related Canadian regulated Financial Institutions (Asset 16(f)) and Memo Item 4, Selected information to be completed by Foreign Bank Branches only
		3, 17	<u>Change:</u> ♦ Asset 16 (f) to 16 (g)
		5, 29, 31, 32	<u>Add:</u> ♦ Liability side: Due to Head Office and related Canadian regulated Financial Institutions (Liability 9(h)) and Memo Item 4, Selected information to be completed by Foreign Bank Branches only.
		5, 29	<u>Change:</u> ♦ Liability 9(h) to 9(i)
4	January 2001	3, 5, 16, 29	<u>Change:</u> ♦ The wording for "Deferred taxes" has been changed to "Future taxes" (as per CICA Section 3465).
5	January 2002	13	<u>Add:</u> ♦ 11(f) was added to ensure consistency in the reporting of collateral mortgages.
6	January 2003	1	<u>Change:</u> ♦ Ivation Data Systems Inc. to Beyond 20/20 Inc.  <u>Delete:</u> ♦ Bank of Canada from "Where to submit"
		16, 29	<u>Add:</u> ♦ (e) Exclude reference

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<b>Please note that as of November 2002, all changes are highlighted:</b>			
		17, 30	<u>Add:</u> ◆ (f) General Instructions ◆ (f) Other Instructions
		20, 32	<u>Add:</u> ◆ (i) – and other branches of the same bank <u>Delete:</u> ◆ First line under Other Instructions (4)(a)
7	January 2004	1	<u>Add:</u> ◆ Address for OSFI Website <u>Delete:</u> ◆ Reference to Beyond 20/20
		16	<u>Change:</u> ◆ Other instructions for Goodwill and Other Intangibles
8	January 2005	2, 16	<u>Change:</u> ◆ Goodwill and Other Intangibles has been changed to Goodwill <u>Add:</u> ◆ Intangibles with definite/indefinite lives
		3, 20, 21	<u>Add:</u> ◆ 5 (a) & (b) Foreclosed long-lived assets ‘Held for sale’ and ‘Held for own use’. (Reported Quarterly Fiscal only)
		5, 31	<u>Add:</u> ◆ 12 (e) Foreign Currency Translation Adjustments
		5, 32	<u>Add:</u> ◆ Memo item 5, Guarantees (Maximum potential amount of future payments, report quarterly fiscal only)
		6	<u>Delete:</u> ◆ Paragraph 6
		12, 14	<u>Delete:</u> ◆ 11(h), 12(b) Inclusion of real estate acquired in the liquidation of a loan
		17	<u>Change:</u> ◆ Real estate acquired in the liquidation of a loan has been changed to Foreclosed real estate and other long-lived assets acquired in the liquidation of a loan
		18	<u>Change:</u> ◆ Debentures has been changed to Subordinated debts
		19	<u>Change:</u> ◆ Third Party Assets – Institution administered has been changed to Third Party Assets – Institution sponsored/administered
		30	<u>Add:</u> ◆ “and other termination benefits” to fifth bullet under L9(d) Other ◆ financial instruments that relate to amounts reported as Tier 1 Capital....

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### Consolidated Balance Sheet

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<b>Please note that as of November 2002, all changes are highlighted:</b>			
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)		

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for Deposit-Taking Institutions**

**AMENDMENT CONTROL LOG**

**Consolidated Balance Sheet**

Amendment Number	Effective Reporting Date	Page Number	Description
<b>Please note that as of November 2002, all changes are highlighted:</b>			
11	November 2007 for October Year end DTI's and January 2008 for December Year end DTI's.	6	<u>Change:</u> ◆ Off-balance sheet to unrecognized
		15	<u>Add:</u> ◆ Other instructions
		19, 34	<u>Change:</u> ◆ CICA Handbook S. 3860 to CICA Handbook S. 3863
		39	<u>Change:</u> ◆ Instructions under A6 Lines 'Realized and Unrealized Gain/(Loss) from Fair Value Hedges and Fair Value Option'

## **CONSOLIDATED BALANCE SHEET**

### **PURPOSE**

The purpose of this return is to provide a consolidated balance sheet of the institution as at the last day of each month. The balance sheet 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 assets and liabilities into total and foreign currencies.

### **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**

Information from this return is available on a total and institution-by-institution basis on the OSFI website at [www.osfi-bsif.gc.ca](http://www.osfi-bsif.gc.ca) and is published in the Bank of Canada Banking and Financial Statistics on a total-for-all-institutions basis.

### **FREQUENCY**

Monthly.

### **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 month and submitted within 28 days of the reporting date.

### **CONTACT AGENCY**

OSFI.

CONSOLIDATED MONTHLY BALANCE SHEET

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

	FOREIGN CURRENCY	TOTAL
<b>MEMO ITEMS</b>		
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) <b>Unrecognized</b> (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) <b>Recognized</b> (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
(VI) Residential mortgages, insured (VII) Residential mortgages, uninsured (VIII) Non-residential mortgages (IX) Other assets (c) Retained Interests		
4. Selected information to be completed by Foreign Bank Branches only (a) Due from Head Office and related Canadian regulated Financial Institutions (i) Head Office (ii) Related Canadian regulated Deposit-Taking Institutions (iii) Related Canadian regulated Financial Institutions (b) Claims on residents of the Home Country (i) Securities (ii) Loans (iii) Other		
5. Foreclosed long-lived assets acquired in the liquidation of a loan (report quarterly fiscal only) (a) Held for sale (i) Fair value less cost to sell (at foreclosure) (ii) Write-downs (iii) Carrying amount a) Real estate b) Other (b) Held for own use (i) Fair value (at foreclosure) (ii) Write-downs (iii) Carrying amount a) Real estate b) Other		
6. Par Value of holdings of securities issued by the Government of Canada		
7. Unrealized gain/loss on investment book securities (report quarterly fiscal only)		



	FOREIGN CURRENCY	TOTAL
<b>SECTION II - LIABILITIES</b>		
1. Demand Deposits (a) Canada (b) Provinces (c) Deposit-Taking Institutions (d) Individuals (e) Others		
2. Notice Deposits (a) Chequable (i) Canada (ii) Provinces (iii) Deposit-Taking Institutions (iv) Individuals (v) Others (b) Non-Chequable (i) Canada (ii) Provinces (iii) Deposit-Taking Institutions (iv) Individuals (A) Tax-sheltered (B) Other (v) Others		
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 (a) Call and other short loans payable (b) Other		
8. Insurance-related liabilities (a) Actuarial liabilities (i) Insurance (ii) Annuities (b) Deferred gains on disposal of portfolio investments (c) Other		

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

<u>MEMO ITEMS</u>		
1. Gold/silver certificates included in other liabilities		
2. Allowance for impairment on unrecognized 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			

## **GENERAL INSTRUCTIONS**

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

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

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

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

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

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

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

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

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

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

**SECTION I - ASSETS**

**A 1 Gold Coin and Gold and Silver Bullion**

Include:

- gold coin;
- gold and silver bullion held in Canada and elsewhere;
- gold and silver certificates held as investments;
- precious metals.

Exclude:

- loans repayable in gold and silver bullion.

Other Instructions:

Balances should be reported as foreign currency.

Gold should be valued by translating to a Canadian dollar equivalent (using the month-end rate published by the Bank of Canada) the U.S. dollar value set at the second London gold "fixing".

**A 2 Bank Notes and Other Coin**

Include:

- Bank of Canada notes on hand;
- foreign currency notes;
- Canadian coin on hand;
- foreign coin held in Canada and elsewhere (foreign coin is to be reported as foreign currency, but U.S. coin in circulation in Canada need not be segregated unless amounts are material).

Other Instructions:

Notes on hand and coin include those in transit between any units of the institution. Units of the institution include any branches or offices of the institution's subsidiaries.

**A 3 Not in Use**

**A 4 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 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

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

**A 7(a) Securities Issued by Canada**

- (i) Treasury Bills
- (ii) Other Securities Maturing Within Three Years
- (iii) Other Securities

**A 7(b) Securities Guaranteed by Canada**

Include:

- securities issued by provinces, municipal and school corporations and others that are guaranteed by Canada;
  - (i) Securities Maturing Within Three Years
  - (ii) Other Securities
  - (iii) Shares

**A 8 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 9 Securities Issued or Guaranteed by a Canadian Municipal or School Corporation**

Include:

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

**A 10 Other Securities, Less Allowance for Impairment**

(a) Debt

Include:

- 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.

(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.



**A 11 Non-Mortgage Loans, Less Allowance for Impairment**

(a) Call and Other Short Loans to Investment Dealers and Brokers, Secured

Include:

- loans against securities to recognized investment dealers, stockbrokers and underwriting syndicates (whether or not the institution is a member) that, when made, were payable on call or within 90 days;
- sight drafts with securities attached;
- daylight overdrafts outstanding.

Other Instructions:

If a loan of this type becomes under-secured, transfer the items to Asset 11(b).

(b) To Regulated Financial Institutions

Include:

- Commercial loans to regulated financial institutions in Canada and elsewhere, and include loans to foreign central banks or foreign official monetary institutions and overdrafts in deposit accounts of other regulated financial institutions.

(c) To Canadian Federal Government, Provinces, Municipal or School Corporations

Include:

- loans to, and temporary overdrafts of Canadian Federal, Provincial, Territorial and Municipal governments, boards and commissions that carry on projects other than business enterprises;
- loans to school boards, commissions and districts.

Exclude:

- provincial Treasury Bills and like evidence of indebtedness and include with securities (see Asset 8);
- municipal Treasury Bills and like evidence of indebtedness and include with securities (see Asset 9).

Other Instructions:

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

(d) To Foreign Governments

Include:

- loans to, and temporary overdrafts of foreign central, provincial, state, municipal governments, boards and commissions that carry on projects other than business enterprises;
- loans to school boards, commissions and districts.

Exclude:

- loans to foreign central banks or foreign official monetary authorities. These are to be included in Asset 11(b), above.

Other Instructions:

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

(e) Lease Receivables

Exclude:

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

(f) To Individuals for Non-Business Purposes

Include:

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

(g) Reverse Repurchase Agreements

Include:

- reverse repurchase agreements

(h) To Individuals and Others for Business Purposes

Include:

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

- 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.

Other Instructions:

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) Residential

(i) Insured

Include:

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

Exclude:

- mortgages that cease to be insured.

(ii) Uninsured

Include:

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

(b) Non-residential

Include:

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

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

Include:

- Acceptances of the institution.

Other Instructions:

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

Refer to Liability 6.

**A 14 Land, Buildings and Equipment, Less Accumulated Depreciation**

Include:

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

- (i) estimated depreciation for the fiscal year to date,
- (ii) actual write-offs,
- (iii) reserves for depreciation, and
- (iv) amortization of capital leases.

Other Instructions:

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

**A 15 Insurance-Related Assets**

- (a) Policy Loans

Include:

- policy loan balances of insurance company subsidiaries.

- (b) Premiums Outstanding

Include:

- premium outstanding balances of insurance company subsidiaries.

- (c) Due from Other Insurers

Include:

- balances due from other insurers in respect of reinsurance contracts, pooling and other arrangements of insurance company subsidiaries.

- (d) Other

Include:

- 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 16 Other Assets**

- (a) Accrued Interest

Include:

- accrued interest and dividends on Assets 5, 7, 8, 9, 10, 11, 12, and 15.

Other Instructions:

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

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

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

(b) Prepaid and Deferred Charges

Include:

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

(c) Goodwill

Other Instructions:

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

(d) Intangibles

(i) with definite lives

Include:

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

Other Instructions:

Less deductions for amortization charges.

(ii) with indefinite lives

Other Instructions:

Carried at amount initially recognized less any writedown for impairment.

(e) Future Income Taxes

Include:

- future taxes if balance is a debit.

(f) Derivative Related Amounts

Include:

- amounts relating to derivative instruments, including unrealized gains (losses are to be offset against gains only as permitted by CICA Handbook **S. 3863**, 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;

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

## **MEMO ITEMS**

### (1) Gold/silver Assets Included in Assets

#### (a) Gold/silver Deposits with Regulated Financial Institutions

Include:

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

#### (b) Gold/silver Securities

Include:

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

#### (c) Gold/silver Loans

Include:

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

### (2) Allowance for Impairment Related to

#### (a) Mortgage Loans

Include:

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

#### (b) Non-Mortgage Loans

Include:

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

#### (c) Other

Include:

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



(3) Securitized Assets

(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).

- (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

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)

(c) Retained Interests

Include:

- retained interests included in asset 10(a).

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

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

(i) Head Office

Include:

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

(ii) Related Canadian regulated deposit-taking institutions

Include:

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

- (iii) Related Canadian regulated financial institutions

Include:

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

Other Instructions:

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

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

- (i) Securities

Include:

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

- (ii) Loans

Include:

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

- (iii) Other

Include:

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

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

- (a) Held for sale

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

- (ii) Write-downs

- (iii) Carrying amount

- a) Real estate

- b) Other

Other Instructions:

See Handbook paragraphs 3025.40 and 3475.30.

- (b) Held for own use

- (i) Fair value (at foreclosure)

- (ii) Write-downs

- (iii) Carrying amount

- c) Real estate

- d) Other

Other Instructions:

See Handbook paragraphs 3025.40 and 3475.04.

(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.**

## **LIABILITIES**

### General Instructions:

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

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

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

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

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

## SECTION II - LIABILITIES

### L 1 Demand Deposits

#### (a) Canada

Include demand deposits of:

- Receiver General for Canada;
- Armed Forces paymasters;
- collectors of customs;
- custodian of enemy property;
- departmental imprest accounts.

Other Instructions:

Deposits of government boards, corporations and commissions that are separately constituted and carry on business enterprises are to be reported under Deposits - Others, as appropriate.

#### (b) Provinces

Include demand deposits of:

- Provinces;
- Territories of Canada.

Other Instructions:

Deposits of government boards, corporations and commissions that are separately constituted and carry on business enterprises are to be reported under Deposits - Others, as appropriate.

#### (c) Deposit-taking Institutions

Include:

- demand deposits of Canadian and foreign deposit-taking institutions and official monetary institutions;
- overdrafts in deposit accounts with deposit-taking institutions.

Other Instructions:

Settlements due to deposit-taking institutions are to be reported under Asset 6 or Liability 4.

#### (d) Individuals

Include:

- deposit balances of individuals in single or joint names segregated as personal chequing accounts;
- free credit balances of individuals on the books of investment dealer subsidiaries.

(e) Others

Include:

- other free credit balances payable on the books of investment dealer subsidiaries;
- demand deposits not reported elsewhere.

**L 2 Notice Deposits**

(a) Chequable

(i) Canada

Include chequable notice deposits of:

- Receiver General for Canada;
- Armed Forces paymasters;
- collectors of customs;
- custodian of enemy property.

Other Instructions:

Deposits of government boards, corporations and commissions that are separately constituted and carry on business enterprises are to be reported under Deposits - Others, as appropriate.

(ii) Provinces

Include chequable notice deposits of:

- Provinces;
- Territories of Canada.

Other Instructions:

Deposits of government boards, corporations and commissions that are separately constituted and carry on business enterprises are to be reported under Deposits - Others, as appropriate.

(iii) Deposit-taking Institutions

Include:

- chequable notice deposits of Canadian and foreign deposit-taking institutions and official monetary institutions.

(iv) Individuals

Include:

- chequable notice balances of individuals in single or joint names;
- chequable notice accounts of estates of individuals;
- chequable notice accounts of companies or persons, acting as trustees, if the institution has written evidence that the account represents trust funds of individuals or estates of individuals.



Exclude:

- accounts of individuals, if it is known that the funds belong to other than those listed above.

(v) Others

Include:

- accounts of firms, business partnerships and personal corporations;
- accounts of pension funds;
- accounts of religious, charitable, fraternal, labour, recreational, educational and welfare organizations, institutions and corporations;
- chequable notice deposits not reported elsewhere.

(b) Non-Chequable

(i) Canada

Include non-chequable notice deposits of:

- Receiver General for Canada;
- Armed Forces paymasters;
- collectors of customs;
- custodian of enemy property.

Other Instructions:

Deposits of government boards, corporations and commissions that are separately constituted and carry on business enterprises are to be reported under Deposits - Others, as appropriate.

(ii) Provinces

Include non-chequable notice deposits of:

- Provinces;
- Territories of Canada.

Other Instructions:

Deposits of government boards, corporations and commissions which are separately constituted and carry on business enterprises are to be reported under Deposits - Others, as appropriate.

(iii) Deposit-taking Institutions

Include:

- non-chequable notice deposits of Canadian and foreign deposit-taking institutions and official monetary institutions.

(iv) Individuals

(A) Tax-sheltered

Include:

- notice deposit balances of individuals tax-sheltered under the Canadian Income Tax Act (RRSPs, RIFs, etc.).

(B) Other

Include:

- non-chequable notice balances of individuals in single or joint names;
- non-chequable notice accounts of estates of individuals;
- non-chequable notice accounts of companies or persons, acting as trustees, if the institution has written evidence that the account represents trust funds of individuals or estates of individuals;
- credit balances of individuals in property tax accounts.

Exclude:

- accounts of individuals, if it is known that the funds belong to other than those listed above.

(v) Others

Include:

- non-individual credit balances in property tax accounts;
- accounts of firms, business partnerships and personal corporations;
- accounts of pension funds;
- accounts of religious, charitable, fraternal, labour, recreational, educational and welfare organizations, institutions and corporations;
- non-chequable notice deposits not reported elsewhere.

**L 3 Fixed-Term Deposits**

(a) Canada

Include fixed-term deposits of:

- Receiver General for Canada;
- Armed Forces paymasters;
- collectors of customs;
- custodian of enemy property.

Other Instructions:

Deposits of government boards, corporations and commissions that are separately constituted and carry on business enterprises are to be reported under Deposits - Others, as appropriate.

(b) Provinces

Include fixed-term deposits of:

- Provinces;
- Territories of Canada.

Other Instructions:

Deposits of government boards, corporations and commissions that are separately constituted and carry on business enterprises are to be reported under Deposits - Others, as appropriate.

(c) Deposit-taking Institutions

Include:

- term notes registered in the name of Canadian and foreign deposit-taking institutions and official monetary institutions;
- advances from central banks outside Canada.

(d) Individuals

(i) Tax-sheltered

Include:

- fixed-term deposit balances of individuals tax-sheltered under the Canadian Income Tax Act (RRSPs, RIFs, etc.).

(ii) Other

Include:

- term notes registered in the name of individuals in single or joint names;
- term notes registered in the name of estates of individuals;
- term notes registered in the name of companies or persons, acting as trustees, if the institution has written evidence that the account represents trust funds of individuals or estates of individuals.

Exclude:

- accounts of individuals, if it is known that the funds belong to other than those listed above.

(e) Others

Include:

- all bearer deposit notes and other negotiable fixed-term notes;
- accounts of firms, business partnerships and personal corporations;
- accounts of pension funds;
- accounts of religious, charitable, fraternal, labour, recreational, educational and welfare organizations, institutions and corporations;
- term notes and other deposit instruments issued by the institution not reported elsewhere.

**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).

**L 8 Insurance-Related Liabilities**

(a) Actuarial Liabilities

(i) Insurance

Include:

- actuarial liabilities related to insurance products of subsidiary companies.

(ii) Annuities

Include:

- actuarial liabilities related to annuity products of subsidiary companies.

(b) Deferred Gains on Disposal of Portfolio Investments

Include:

- 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.

(c) Other

Include:

- other insurance-related liabilities not reported elsewhere, including provisions for policyholder dividends and provisions for Experience Rating Refunds.

**L 9 Other Liabilities**

(a) Accrued Interest

Include:

- accrued interest on deposits (Liabilities 1, 2 and 3);
- accrued interest on subordinated debt (Liability 11);
- accrued interest on other liabilities as appropriate (Liability 9).

Other instructions:

Accrue interest to date on deposit liabilities on a monthly basis or accrue to the most recent quarter-end of the financial year, provided that the institution follows a consistent policy in this regard. The appropriate rate to be used when accruing interest on deposit instruments should be the effective rate if outstanding to maturity.

(b) Mortgages and Loans Payable

(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. 3863](#), deferred unrealized gains relating to reserves for credit and market risks and administration costs etc., 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 Taxes" 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’.
- Note, the amount reported for Fair Value Option should reflect the net realized and unrealized gain/(loss) arising from financial instruments which are managed together on a fair value basis. This amount should tie to the sum of items contained in the column “Gain/(Loss) Fair Value Option”.
- The amount reported for Fair Value Hedges should only represent any ineffectiveness arising from marking to market hedging items and hedged items which are designated in fair value hedging relationships.