

**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:			
1	Q1 1998	6, 26	<u>Add:</u> ◆ Line 20(e) Income from Securitization of Assets
		6, 26 to 28	<u>Change:</u> ◆ As a result of adding a new line on 20(e), all existing line references have been changed
		17	<u>Add:</u> ◆ To Items 3 and 4 a bullet on gains and losses on the transfer of financial assets with recourse
2	Q1 1999	17, 19	<u>Add:</u> ◆ To items 3, 4 and 5 a bullet on interest income on the transfer of financial assets with recourse.
		26	<u>Change:</u> ◆ Line 20(e) Income from Securitization of Assets. The first bullet was amended.
		17	<u>Add:</u> ◆ Line 4 Other Non-Mortgage Loans - <u>General Instructions</u> - reference to CICA Guideline ACG 4 on the reporting of fees.
3	Q1 2000	1	<u>Add:</u> ◆ Section 600 of the Bank Act (applies to Foreign Bank Branches) ◆ Additional information on disclosure <u>Change:</u> ◆ Section 523 of the Bank Act is now Section 628
		19	<u>Add:</u> ◆ To item 5, the second bullet was expanded
4	Q1 2001	8	<u>Add:</u> ◆ Line 26(l) "Amortization Expenses" <u>Change:</u> ◆ Line 26(l) "Other Expenses" has been changed to 26(m)
		8, 32	<u>Change:</u> ◆ The wording for "Deferred taxes" has been changed to "future taxes". (as per CICA Section 3465)
		10, 11, 12, 13, 37, 38, 39	<u>Delete:</u> ◆ Section III – "Average balances outstanding". This section is no longer required and has been deleted.
		10, 34	<u>Change:</u> ◆ The consolidated statement of Retained Earnings is now Section III.

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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

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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
9	Q1 2008	7, 26	<u>Add:</u> ♦ Dilution Gains
		11, 36, 37	<u>Add:</u> ♦ Other
		20	<u>Change:</u> ♦ On- and off-balance sheet items to recognized and unrecognized items
		36	<u>Change:</u> ♦ Reclassification to Earnings of Gains/(Losses) to Impact of Hedging and related instructions

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							

	Booked In Canada				Booked Outside Canada		Total Booked In and Outside Canada Year to Date
	Residents		Non-residents		Canadian Currency	Foreign Currency	
	Canadian Currency	Foreign Currency	Canadian Currency	Foreign Currency			
4. OTHER NON-MORTGAGE LOANS							
(a) Call and Other Short Loans to Investment Dealers and Brokers, Secured							
(b) Regulated Financial Institutions							
(c) Canadian Federal Government, Provinces, Municipal or School Corporations							
(d) Foreign Governments							
(e) Lease Receivables							
(f) Reverse Repurchase Agreements							
(g) Other Loans for Business Purposes							
5. MORTGAGES							
(a) Residential Insured							
(b) Residential Uninsured							
(c) Non-residential							
6. OTHER							
(a) Other interest-earning assets							
7. TOTAL INTEREST INCOME INCLUDING DIVIDENDS							
INTEREST EXPENSES							

	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			
8. INTEREST ON DEMAND DEPOSITS							
(a) Canada							
(b) Provinces							
(c) Deposit-Taking Institutions							
(d) Individuals							
(e) Others							
9. INTEREST ON 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							

	Booked In Canada				Booked Outside Canada		Total Booked In and Outside Canada Year to Date
	Residents		Non-residents		Canadian Currency	Foreign Currency	
	Canadian Currency	Foreign Currency	Canadian Currency	Foreign Currency			
10. INTEREST ON FIXED-TERM DEPOSITS							
(a) Canada							
(b) Provinces							
(c) Deposit-Taking Institutions							
(d) Individuals							
(i) Tax-sheltered							
(ii) Other							
(e) Others							
11. TOTAL INTEREST ON DEPOSITS							
12. INTEREST ON SUBORDINATED DEBT							
13. OTHER INTEREST-BEARING LIABILITIES							
(a) Advances from Bank of Canada							
(b) Liabilities of Subsidiaries Other Than Deposits							
(i) Call and Other Short Loans Payable							
(ii) Other							
(c) Other							
14. TOTAL INTEREST EXPENSE							
15. NET INTEREST INCOME							

	Booked In Canada	Booked Outside Canada	Total
16. CHARGE FOR IMPAIRMENT			
17. NET INTEREST INCOME AFTER CHARGE FOR IMPAIRMENT			
SECTION II - NON-INTEREST INCOME/EXPENSES			
18. TRADING INCOME			
19. GAINS (LOSSES) ON INSTRUMENTS HELD FOR OTHER THAN TRADING PURPOSES			
20. OTHER INCOME			
(a) Service Charges on Deposit Accounts (i) Retail Deposit Accounts (ii) Commercial Deposit Accounts (b) Other Payment Services (c) Credit and Debit Card Service Fees (d) Standby, Commitment and Other Loan Fees (e) Income from Securitization of Assets (f) Mortgage Fees (g) Acceptance Fees (h) Guarantees and Letters of Credit Fees (i) Payroll Processing (j) Investment Management and Custodial Services (k) Mutual (Investment) Fund Fees (l) Real Estate Commissions (m) Underwriting Fees on New Issues (n) Securities Commissions and Fees (o) Foreign Exchange Revenue Other Than Trading (p) Other Commissions and Fees (q) Insurance-Related Non-Interest Income (i) Premium Income (A) Insurance (B) Annuities Less: (ii) Policy Benefits Expenses (A) Insurance (B) Annuities (C) Other Policyholder Benefits			

	Booked In Canada	Booked Outside Canada	Total
(r) Dilution Gains			
21. TOTAL OF OTHER INCOME			
22. NON-INTEREST INCOME			
23. NET INTEREST AND NON-INTEREST INCOME			
NON-INTEREST EXPENSES			
24. SALARIES, PENSIONS AND OTHER STAFF BENEFITS			
(a) Salaries			
(b) Pension Contributions and Other Staff Benefits			
25. PREMISES AND EQUIPMENT			
(a) Rental of Real Estate			
(i) Gross Income			
(ii) Expenses			
(b) Premises, Furniture and Fixtures			
(i) Depreciation			
(ii) Other			
(c) Computers and Equipment			
(i) Depreciation			
(ii) Other			

	Booked In Canada	Booked Outside Canada	Total
26. OTHER			
<ul style="list-style-type: none"> (a) Advertising, Public Relations and Business Development (b) Office and General Expenses (c) Real Estate Commission Expense (d) Capital and Business Taxes <ul style="list-style-type: none"> (i) Canadian Capital Taxes (ii) Other (e) General Insurance Expense (f) Directors Fees and Related Expenses (g) Deposit Insurance Premiums (h) Donations (i) Association, Clearing and Regulatory Fees (j) Employee Training and Development (k) Professional Fees <ul style="list-style-type: none"> (i) Audit (ii) Legal (iii) Management (iv) Other (l) Charge for Impairment <ul style="list-style-type: none"> (i) Goodwill (ii) Intangibles with indefinite lives (m) Amortization Expenses <ul style="list-style-type: none"> (i) Intangibles with definite lives (ii) Other (n) Other Expenses 			
27. TOTAL NON-INTEREST EXPENSES			
28. NET INCOME BEFORE PROVISION FOR INCOME TAXES			
29. PROVISION FOR INCOME TAXES			
<ul style="list-style-type: none"> (a) Current (b) Future 			
30. NET INCOME BEFORE NON-CONTROLLING INTERESTS			
31. NON-CONTROLLING INTERESTS IN SUBSIDIARIES			
32. NET INCOME BEFORE EXTRAORDINARY ITEMS & DISCONTINUED OPERATIONS			
33. EXTRAORDINARY ITEMS (NET OF TAXES)			

	Booked In Canada	Booked Outside Canada	Total
34. DISCONTINUED OPERATIONS (NET OF TAXES)			
35. NET INCOME			
36. DIVIDENDS ON PREFERRED SHARES			
37. NET INCOME APPLICABLE TO COMMON SHARES			
38. AVERAGE NUMBER OF COMMON SHARES OUTSTANDING			
39. EARNINGS PER SHARE - BEFORE EXTRAORDINARY ITEMS & DISCONTINUED OPERATIONS			
40. EARNINGS PER SHARE - AFTER EXTRAORDINARY ITEMS & DISCONTINUED OPERATIONS			
41. FULLY DILUTED EARNINGS PER SHARE - BEFORE EXTRAORDINARY ITEMS & DISCONTINUED OPERATIONS			
42. FULLY DILUTED EARNINGS PER SHARE - AFTER EXTRAORDINARY ITEMS & DISCONTINUED OPERATIONS			

SECTION III - CONSOLIDATED STATEMENT OF RETAINED EARNINGS

	TOTAL
Balance at beginning of the year	
Add:	
Net income (loss) period to date	
Deduct:	
Dividends declared:	
Preferred Shares	
Common Shares	
Other deductions (additions)	
Balance at end of period	

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 <ul style="list-style-type: none"> (i) Change in unrealized gains and losses <ul style="list-style-type: none"> (A) Equities (B) Debt (C) Loans (ii) Reclassification to earnings of gains/(losses) (b) Derivatives designated as cash flow hedges <ul style="list-style-type: none"> (i) Change in unrealized gains and losses (ii) Reclassification to earnings of gains/(losses) (c) Foreign currency translation <ul style="list-style-type: none"> (i) Change in unrealized gains and losses (ii) Impact of hedging (d) Other	
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 <ul style="list-style-type: none"> (i) Equities (ii) Debt (iii) Loans (b) Derivatives designated as cash flow hedges (c) Foreign currency translation, net of hedging activities (d) Other	
TOTAL	

GENERAL INSTRUCTIONS

All asset and liability references in the reporting of interest income and expenses in this return are consistent with the "Monthly Balance Sheet", unless specifically stated to the contrary.

An institution has the option to develop resident and non-resident ratios from the "Geographical Distribution of Assets and Liabilities" for determining the residency split of these balances.

See the glossary for definitions and instructions regarding residency, currency and booking splits.

| Total Year To Date (YTD) represents the to-date cumulative total of income/expenses booked in and out of Canada for the period either commencing November 1 or January 1, expressed in thousands of Canadian dollar equivalents.

Insurance-Related Income comprises certain income categories from Insurance Subsidiaries that do not readily fall into the income categories used in institution financial statements. This income is to be reported as "Insurance-Related Income". Any non-interest income from Insurance-Related Assets (Asset 15 on the Balance Sheet) is to be reported as "Insurance-Related Income".

Categories of income from Insurance Subsidiaries that correspond to institution income categories such as interest and dividends from securities and interest on mortgages will be reported on the appropriate lines.

Presently a separate line is included for reporting the interest and dividend income from securities of a securities subsidiary that was an established business enterprise acquired by a bank subsequent to changes in the Bank Act in 1987 (acquired securities subsidiary). Any decision to further segregate this income by balance sheet products is considered a future development, which would be the subject of discussion between the regulator and the industry, as to the incremental value of such information in relation to the required systems implementation costs.

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.

SECTION I - INTEREST INCOME/EXPENSE

1. INCOME FROM DEPOSITS WITH REGULATED FINANCIAL INSTITUTIONS

- (a) Income from deposits with regulated financial institutions

Include:

- interest earned relating to Asset 5.

2. INCOME FROM SECURITIES

GENERAL INSTRUCTIONS

Dividend income on term-preferred shares is accounted for on an accrual basis, subject to considerations of collectability.

Dividend income on other shares should not be accrued until it is clearly payable.

A special line (2(e)) is provided for Securities Income of Acquired Securities Subsidiaries.

- (a) Government of Canada Treasury Bills

Include:

- amortization of discount relating to Asset 7(a)(i).

- (b) Other securities Issued or Guaranteed by Canada

Include:

- interest relating to the categories in Asset 7 other than 7(a)(i).

Exclude:

- income reported in Item 2(a) (Asset 7(a)(i)).

- (c) Securities Issued or Guaranteed by Canadian Provinces, Municipal or School Corporations

Include:

- interest relating to Assets 8 and 9.

- (d) Other Securities

Include:

- interest and dividends relating to Asset 10.

- (e) Securities Income of Securities Subsidiary

Include:

- interest and dividends relating to all securities held by securities subsidiaries.

3. NON-MORTGAGE LOANS TO INDIVIDUALS FOR NON-BUSINESS PURPOSES

GENERAL INSTRUCTIONS

Include:

- the gains or losses on the transfer of financial assets with recourse according to the instructions set out in Guideline D-4 (Transfer of Financial Assets with Recourse);
- interest income from the assets transferred with recourse that are considered financing arrangements according to instructions in Guideline D-4.

(a) Personal Loan Plan Loans

Include:

- interest earned relating to personal loan plans included in Asset 11(f).

Exclude:

- fees and service charges (see Item 20(d)).

(b) Credit Card

Include:

- interest earned relating to credit cards included in Asset 11(f).

Exclude:

- fees and service charges (see Item 20(c)).

(c) Other Personal

Include:

- interest earned relating to other non-mortgage loans to individuals for non-business purposes included in Asset 11(f) but not included in (a) or (b) above;
- personal lines of credit.

4. OTHER NON-MORTGAGE LOANS

GENERAL INSTRUCTIONS

The reporting of “fees” income from lending activities is to follow CICA Accounting guideline AcG - 4 titled “Fees and costs associated with lending activities”.

Include:

- the gains or losses on the transfer of financial assets with recourse according to the instructions set out in Guideline D-4 (Transfer of Financial Assets with Recourse);
- interest income from the assets transferred with recourse that are considered financing arrangements according to instructions in Guideline D-4.

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

Include:

- interest earned relating to Asset 11(a).

- (b) Regulated Financial Institutions

Include:

- interest earned relating to Asset 11(b).

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

Include:

- interest earned relating to Asset 11(c).

- (d) Foreign Governments

Include:

- interest earned relating to Asset 11(d).

- (e) Lease Receivables

Include:

- income that relates to Asset 11(e) lease receivables.

Other Instructions:

Gains or losses on sales of equipment previously leased are to be included under Item 20(p) in Other Commissions and Fees.

- (f) Reverse Repurchase Agreements

Include:

- income that relates to Asset 11(g) reverse repurchase agreements

- (g) Other Loans for Business Purposes

Include:

- income relating to Asset 11(h).

5. MORTGAGES

General

- include amortization of premium or discount on mortgages purchased;
- include amortization of (a) interest rate adjustments through buy-downs and; (b) penalty fees of the remaining life of the respective mortgage;
- include the gains or losses on the sale of mortgages transferred without recourse, immediately, and for transfers of mortgages with recourse any gains or losses are to be accounted for according to the instructions set out in Guideline D-4 (Transfer of Financial Assets with Recourse) from Guidelines for Banks - Volume 2 and Guidelines for Trust and Loan Companies - Volume 2;
- management fees on mortgages administered but not owned by the institution are to be reported in Item 20(f);
- include interest income from mortgages transferred with recourse that are considered financing arrangements according to instructions in Guideline D-4.

(a) Residential - Insured

Include:

- interest earned relating to Asset 12(a)(i).

(b) Residential - Uninsured

Include:

- interest earned relating to Asset 12(a)(ii).

(c) Non-residential

Include:

- interest earned relating to Asset 12(b).

6. OTHER

Include:

- interest earned on Assets 15 and 16;
- interest earned on assets not included in other categories.

7. TOTAL INTEREST INCOME INCLUDING DIVIDENDS

The sum of the component line references will include income for Items 1 to 6.

DEPOSITS

General Instructions for Deposits

Include brokerage fees paid for the placement of deposit instruments. In the case of term deposits, any significant fees should be amortized over the term of the deposit.

Interest on deposits includes any amortization of discounts or premiums.

8. INTEREST ON DEMAND DEPOSITS

(a) Canada

Include:

- interest on Liability 1(a).

(b) Provinces

Include:

- interest on Liability 1(b).

(c) Deposit-Taking Institutions

Include:

- interest on Liability 1(c).

(d) Individuals

Include:

- interest on Liability 1(d).

(e) Others

Include:

- interest on Liability 1(e).

9. INTEREST ON NOTICE DEPOSITS

(a) Chequable

(i) Canada

Include:

- interest on Liability 2(a)(i).

(ii) Provinces

Include:

- interest on Liability 2(a)(ii).

(iii) Deposit-Taking Institutions

Include:

- interest on Liability 2(a)(iii).

(iv) Individuals

Include:

- interest on Liability 2(a)(iv).

(v) Others

Include:

- interest on Liability 2(a)(v).

(b) Non-Chequable

(i) Canada

Include:

- interest on Liability 2(b)(i).

(ii) Provinces

Include:

- interest on Liability 2(b)(ii).

(iii) Deposit-Taking Institutions

Include:

- interest on Liability 2(b)(iii).

(iv) Individuals

(A) Tax-sheltered

Include:

- interest on Liability 2(b)(iv)(A).

(B) Other

Include:

- interest on Liability 2(b)(iv)(B).

(v) Others

Include:

- interest on Liability 2(b)(v).

10. INTEREST ON FIXED-TERM DEPOSITS

(a) Canada

Include:

- interest on Liability 3(a).

(b) Provinces

Include:

- interest on Liability 3(b).

(c) Deposit-Taking Institutions

Include:

- interest on Liability 3(c).

(d) Individuals

(i) Tax-sheltered

Include:

- interest on Liability 3(d)(i).

(ii) Other

Include:

- interest on Liability 3(d)(ii).

(e) Others

Include:

- interest on Liability 3(e).

11. TOTAL INTEREST ON DEPOSITS

The sum of Items 8, 9 and 10.

12. INTEREST ON SUBORDINATED DEBT

Include:

- interest on Liability 11 on an amortized basis;
- amortization of underwriting fees associated with new debt issues.

13. OTHER INTEREST-BEARING LIABILITIES

(a) Advances from the Bank of Canada

Include:

- interest on Liability 5;
- fees paid in lieu of taking advances from the Bank of Canada.

(b) Liabilities of Subsidiaries other than Deposits

(i) Call and Other Short Loans Payable

Include:

- interest on Liability 7(a).

(ii) Other

Include:

- interest on Liability 7(b).

(c) Other

Include:

- interest on Liability 9, e.g., interest on obligations related to borrowed securities and assets sold under repurchase agreements;
- other interest expenses not elsewhere reported.

14. TOTAL INTEREST EXPENSE

The sum of Items 11 to 13.

15. NET INTEREST INCOME

Item 7 minus Item 14.

16. CHARGE FOR IMPAIRMENT

Include:

- all charges for impairment on **recognized and unrecognized** items.

17. NET INTEREST INCOME AFTER CHARGE FOR IMPAIRMENT

Item 15 minus Item 16.

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.

20. OTHER INCOME

(a) Service Charges on Deposit Accounts

(i) Retail Deposit Accounts

Include:

- service charges;
- account activity charges;
- per item levies on cheques;
- charges under special arrangements re operation of accounts;
- revenue re dormant account notices and dormant accounts closed;
- stop payment and returned cheques charges with respect to personal accounts;
- fees from retail service plans where customers are charged for a package of services.

(ii) Commercial Deposit Accounts

Include:

- service charges on all current accounts and all non-personal accounts including fees from commercial service plans.

(b) Other Payment Services (to the extent not already included under 20(a) Service Charges)

Include:

- automated teller service charges for cash withdrawals including Interac, Plus, Cirrus fees on a net basis;
- commissions and fees from networking arrangements;
- commissions on payment of household bills;
- commissions on the sale of drafts, money orders and travellers cheques;
- commissions re transfer of funds by mail, telephone or telegraph;
- commissions for certification of cheques;
- any income for computer services provided for customers;
- commissions on the collection of drafts, cheques and other bills of exchange received on a collection basis, cashed or taken on deposit;
- commission on the collection of accounts or monies receivable under assignment of accounts or contracts;
- all commissions for wrapping, rolling, mailing or otherwise handling currency and coin on behalf of customers;
- commissions for lock box services;
- income from depository services;
- other income from payment services not previously identified.

(c) Credit and Debit Card Service Fees

Include:

- service fees on credit card transactions;
- monthly or annual credit card account fees;
- credit card merchant discount revenue;
- all debit card-related fees;
- credit card merchant membership fees, imprinter rentals, etc.

(d) Standby, Commitment and Other Loan Fees

Include:

- fees and costs associated with credit facilities, including fees charged to customers for unused portions of authorized credits, fees on unconditional loan commitments, and charges in lieu of compensating balances (in accordance with the Accounting Guidelines set out in the CICA Handbook);
- daylight overdraft charges;
- commissions charged to customers on loans on which, to the extent they are offset by deposits, no interest is paid;
- fees for evaluating customer credit applications including verification of security (e.g., title searches);
- fees for investigating and recommending the most appropriate credit arrangements (setup fees, structuring fees);
- fees for evaluating the security for loans on an ongoing basis, processing notes and payments, and other administrative activities (e.g., maintaining records of pledged securities, aging lists of accounts receivable);
- other loan fees not previously identified.

(e) Income from Securitization of Assets

Include:

- gains or losses on assets sold according to instructions in OSFI Guidelines D-3, D-4, D-8 and CICA Guideline AcG-12;
- servicing fees;
- credit enhancement fees.

(f) Mortgage Fees

Include:

- fees associated with all types of mortgage lending activities (in accordance with the Accounting Guidelines set out in the CICA Handbook);
- management fees on mortgages administered but not owned by the institution;
- appraisal fees.

(g) Acceptance Fees

Include:

- acceptance fees (in accordance with the Accounting Guidelines set out in the CICA Handbook).

(h) Guarantees and Letters of Credit Fees

Include:

- commissions arising from the issue of guarantees and letters of credit.

(i) Payroll Processing

Include:

- fees earned from providing payroll processing services;
- fees earned from making up cash payrolls or bulk payroll deposit services.

(j) Investment Management and Custodial Services

Include:

- fees generated from estate and trust management, trust administration, and from acting as agents for customers;
- investment management revenues and investment advisory service fees;
- custodial service fees;
- proxy fees and similar charges to clients;
- safety deposit box rentals;
- commissions for safekeeping services;
- Retirement Savings Plan application, management, administration and termination fees;
- other related revenues not included elsewhere.

Exclude:

- mutual fees included in item 20(k)

(k) Mutual (Investment) Fund Fees

Include:

- fees generated from acting as a selling agent of units, shares or other interests in a mutual (investment) fund;
- fees for acting as a collecting agent in the collection of payments for a mutual (investment) fund.

(l) Real Estate Commissions

Include:

- commissions earned from acting as an agent on real estate transactions.

(m) Underwriting Fees on New Issues

Include:

- revenue related to new issue business - underwriting and/or management fees, corporate and advisory fees, private placement fees.

(n) Securities Commissions and Fees

Include:

- all commissions and fees earned on securities transactions less any amounts paid to other brokers;
- sales and delivery commissions and redemption fees on Canada Savings Bonds;
- fees for bonds lent to brokers.

(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

(A) Insurance

Include:

- policy benefit under contracts of insurance.

(B) Annuities

Include:

- policy benefit under annuity contracts.

(C) Other Policyholder Benefits

Include:

- other policyholder benefits such as participating account dividends and experience rating refunds.

(r) Dilution Gains

Include:

- income from dilution gains arising from sale of own shares.

21. TOTAL OF OTHER INCOME

22. NON-INTEREST INCOME

The sum of Items 18, 19 and 21.

23. NET INTEREST AND NON-INTEREST INCOME

The sum of Items 17 and 22.

NON-INTEREST EXPENSE

24. SALARIES, PENSIONS AND OTHER STAFF BENEFITS

(a) Salaries

Include:

- full-time employee salaries, wages, bonuses and all other forms of remuneration;
- part-time remuneration;
- amounts paid to temporary personnel agencies.

(b) Pension Contributions and Other Staff Benefits

Include:

- pension contributions to private, federal and provincial pension funds;
- special contributions should be amortized over a period of years pursuant to the requirements in CICA Handbook, Section 3461;
- retirement allowances to retired employees other than from the pension fund;
- contributions to premiums for group sickness, dental and accident and life insurance for employees;
- contributions to Unemployment Insurance and Worker's Compensation;
- contributions to national pension plans and staff benefit plans in foreign countries;
- contributions to employees savings plans and profit-sharing plans;
- cost of staff recreation plans and death benefits.

25. PREMISES AND EQUIPMENT

(a) Rental of Real Estate

(i) Gross Rental Income

Include:

- gross rentals received from tenants and sub-tenants.

Exclude:

- rental income on real estate investment properties, reported under item 20(p).

(ii) Rental Expenses

Include:

- rental expenses for properties occupied as institution premises.

Exclude:

- rental expenses allocated to computer costs that are to be reported under Item 25(c)(ii).

(b) Premises, Furniture and Fixtures

(i) Depreciation

Include:

- depreciation of buildings and amortization of leasehold improvements;
- depreciation on automobiles, trailers and aircraft;
- depreciation of furniture and fixtures.

(ii) Other

Include:

- maintenance of office furniture;
- cost of maintenance of fire, burglary and other alarm systems;
- alterations to premises considered as normal repairs;
- all maintenance, cleaning expenses; i.e., janitor and cleaning services by outside firms, cleaning material and supplies, etc., and decorating expenses of property owned or rented and administrative expenses in respect thereof not reported elsewhere;
- all municipal taxes on property owned or rented;
- rental costs of furniture and fixtures as well as purchases of such items that are expended;
- electric utility expenses, heating, water and any other standard utility expenses;
- premium paid for fire and other property insurance;
- other expenses related to premises, furniture and fixtures.

(c) Computers and Equipment

(i) Depreciation

Include:

- depreciation on computers, office machines and equipment.

(ii) Other

Include:

- maintenance of computers, office machines and equipment;
- rental costs of computers and equipment;
- equipment purchases that are expended;
- software, service bureau and network costs;
- other computer and equipment expenses.

26. OTHER EXPENSES

(a) Advertising, Public Relations and Business Development

Include:

- costs of sales promotion activities and materials other than postage and distribution costs;
- costs relating to advertising in the national press, periodicals, and other media;
- cost of staff magazines, annual reports to shareholders and all other publications of the institution, including those issued for public relations purposes;

- expenses reimbursed to employees for business development activities and entertainment of customers;
- costs of receptions, conferences and conventions for business development purposes, including costs of attendance, hosting and entertaining at such functions;
- dues paid on behalf of employees, including membership in Board of Trade, Chamber of Commerce and other service organizations;
- travel expenses incurred by employees in the normal course of business, where such expenses are covered by an advance or reimbursed by the institution;
- expenses arising from car allowances to institution officers, maintenance expenses of institution automobiles and aircraft and expenses associated with transfer of institution officers.

Exclude:

- reimbursed travel expenses associated with employee trainee activities reported under Item 26(j).

(b) Office and General Expenses

Include:

- stationery expenses;
- postage and distribution costs on advertising material, sales promotion and other publications mailed, including calendars;
- telephone, telegram, cable, postage, express, duty and forwarding charges;
- other office expenses not included elsewhere.

Exclude:

- communications expenses allocated as computer costs, under Item 25(c)(ii); e.g., network costs.

(c) Real Estate Commission Expense

Include:

- real estate commissions expenses incurred and related to real estate sales activities (see Item 20(l)).

(d) Capital and Business Taxes

(i) Canadian Capital Taxes

Include:

- Canadian capital taxes incurred.

(ii) Other

Include:

- other capital taxes incurred;
- municipal and business taxes, including U.S. state and municipal taxes, and all other taxes, including foreign franchise taxes, except property taxes reported under Item 25(b)(ii) and income taxes.

Note: (The appropriate amount of foreign tax to be included above should be determined using these guidelines:

- (1) a foreign tax levied on income is to be included in the provision for income taxes (Item 29);
- (2) a foreign tax on capital is to be included in miscellaneous taxes (Item 26(d)(ii)); and
- (3) a foreign tax that is computed by reference to income or capital is to be included in the provision for income taxes (Item 29).

This treatment recognizes that most city and state taxes are computed by reference to corporate income. However, it should be noted that this treatment could create a difference between accounting and tax records where the tax is based on capital).

Exclude:

- foreign income taxes of a kind allowed as a deduction from Canadian Income Taxes.

(e) General Insurance Expense

Include:

- premiums for bankers' blanket bond policies covering possible large fraud losses and the like and other insurance premiums;
- premiums paid to cover recurring small losses;
- premiums paid on Personal Plan Loan insurance.

Exclude:

- property insurance, staff benefits and deposit insurance.

(f) Directors' Fees and Related Expenses

Include:

- aggregate fees and expenses paid to directors for attending institution meetings;
- aggregate fees and expenses paid to directors for attending subsidiary companies' meetings.

(g) Deposit Insurance Premiums

Include:

- premiums paid to deposit insurers such as Canada Deposit Insurance Corporation, Federal Deposit Insurance Corporation (U.S.) and others.

(h) Donations

Include:

- donations to charitable organizations.

(i) Association, Clearing and Regulatory Fees

Include:

- assessed expenses in connection with associations such as the Canadian Bankers Association, Canadian Payments Association, SWIFT, CHIPS, CDS and Euroclear;
- assessed expenses of regulation.

(j) Employee Training and Development

Include:

- course fees, registration fees or similar expenses incurred in enrolling employees in a course of study, and fees for participating in seminars, symposia and similar meetings of short duration;
- costs other than salaries relating to internal training schools and programs;
- other direct expenses and reimbursed travel expenses attributed to employee training programs, where they are paid by the institution.

(k) Professional Fees

(i) Audit Fees

Include:

- all fees paid to professional accounting firms for the institution and its subsidiaries.

Exclude:

- amounts paid to regulatory bodies. Report such amounts under Item 26(i).

(ii) Legal Fees

Include:

- all legal fees or expenses paid to external lawyers.

Exclude:

- legal fees relating to bad and doubtful loans, but add these to the loan account;
- legal fees relating to recoveries of loans previously written off are to be treated as part of loan loss experience;
- legal fees relating to fees earned on lending activities that should be netted and amortized (in accordance with the Accounting Guidelines set in the CICA Handbook).

(iii) Management Fees

Include:

- fees paid to third parties for management of the institution or any of its subsidiaries.

(iv) Other

Include:

- fees paid to management consultants or other professionals relating to special projects;
- other fees paid on behalf of employees, for membership in professional organizations.

Exclude:

- collection expenses relating to the recoveries of loans previously written off. These amounts should be treated as loan losses at the time of payment.

(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.

29. PROVISION FOR INCOME TAXES

(a) Current

Include:

- provision for current income taxes.

(b) Future

Include:

- provision for future income taxes.

30. NET INCOME BEFORE NON-CONTROLLING INTERESTS

Item 28 minus item 29.

31. NON-CONTROLLING INTERESTS IN SUBSIDIARIES

Include:

- non-controlling interests in subsidiaries of the institution.

32. NET INCOME BEFORE EXTRAORDINARY ITEMS AND DISCONTINUED OPERATIONS

Item 30 minus (plus) item 31.

33. EXTRAORDINARY ITEMS (NET OF TAXES)

Report on the basis of Generally Accepted Accounting Principles.

34. DISCONTINUED OPERATIONS (NET OF TAXES)

Report on basis of Generally Accepted Accounting Principles.

35. NET INCOME

Item 32 plus (minus) Items 33 and 34.

36. DIVIDENDS ON PREFERRED SHARES

Report dividends declared on preferred shares.

37. NET INCOME APPLICABLE TO COMMON SHARES

Report Item 35 minus Item 36.

38. AVERAGE NUMBER OF COMMON SHARES OUTSTANDING

Include:

- the daily average of common shares outstanding.

ITEMS 39 TO 42

These items should be reported in accordance with the recommendations as outlined in the CICA Handbook.

39. EARNINGS PER SHARE - BEFORE EXTRAORDINARY ITEMS AND DISCONTINUED OPERATIONS

40. EARNINGS PER SHARE - AFTER EXTRAORDINARY ITEMS AND DISCONTINUED OPERATIONS

41. FULLY DILUTED EARNINGS PER SHARE - BEFORE EXTRAORDINARY ITEMS AND DISCONTINUED OPERATIONS

42. FULLY DILUTED EARNINGS PER SHARE - AFTER EXTRAORDINARY ITEMS AND DISCONTINUED OPERATIONS

SECTION III – CONSOLIDATED STATEMENT OF RETAINED EARNINGS

Report balance of retained earnings at beginning of the year.

Add net income (loss) for the period to date.

Deduct dividends declared on preferred and common shares.

Add or deduct other items.

Report balance at the end of the period. This balance must agree with Liability 12(d) on the monthly balance sheet.

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) Impact of Hedging

Include:

- In accordance with CICA Handbook S.1530, report the gains (losses) on hedges of unrealized foreign currency translation losses and gains.

(d) Other

Reserved for future use

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.

(d) Other

Reserved for future use

2. TOTAL

Report balance at the end of the period.