

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

## AMENDMENT CONTROL LOG

### Monthly Average Return of Assets and Liabilities

Amendment Number	Effective Reporting Date	Page Number	Description
<b>Please note that as of November 2002, all changes are highlighted:</b>			
1	November 1997	6, 7, 29	<u>Delete:</u> ♦ Information on “Booked In Canada” Assets and Liabilities reported in Section III, Item 4 and Section IV, Item 2.
2	November 1998	4	<u>Change:</u> ♦ The lines for notice deposits were changed. This correction applies only to page 4.
3	January 2000	1	<u>Add:</u> ♦ Section 600 of the Bank Act (applies to Foreign Bank Branches)  <u>Change:</u> ♦ Section 523 of the Bank Act is now Section 628 ♦ The Bank of Canada Review is now called: Bank of Canada Banking and Financial Statistics
		9	<u>Change:</u> ♦ Items to be included in the Deposits with Bank of Canada (Asset 2)
		3, 7, 17, 30	<u>Add:</u> ♦ Asset side: Due from head office and related Canadian regulated financial institutions. Asset 14(a) and in Section V of which vis-à-vis head office and related Canadian regulated financial institutions.
		5, 26	<u>Add:</u> ♦ Liability side: Due to head office and related Canadian regulated financial institutions Liability 9(c)  <u>Change:</u> ♦ Liability 9(c) to 9(d)
		All	<u>Add:</u> ♦ Foreign Bank Branches have been added to the applicable sections in the instructions
		All	<u>Change:</u> ♦ With the addition of the Foreign Bank Branches, the word "Bank" has been changed to "Institution" in the applicable sections in the instructions.
		4	January 2001
5	January 2002	4, 21, 22	<u>Add:</u> ♦ Section I – Canadian Dollar Assets – Memo items – Securitized Assets
		7, 32	<u>Add:</u> ♦ Section II – Canadian Dollar Liabilities – Memo items – Deposits with Investment Dealer Subsidiaries included in above
		9, 34	<u>Add:</u> ♦ Section VI – Supplementary Information – Month End Positions
		17	<u>Add:</u> ♦ 9(f) was added to ensure consistency in the reporting of collateral mortgages.

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<b>Please note that as of November 2002, all changes are highlighted:</b>			
6	January 2004	1	<u>Add:</u> ◆ Bank of Canada website to Publication
		20	<u>Change:</u> ◆ Other instructions for Goodwill and Other Intangibles
7	January 2005	1	<u>Change:</u> ◆ Reporting dates from 11 to 13 business days
		6, 32	<u>Add:</u> ◆ Foreign currency translation adjustments
		16, 18	<u>Delete:</u> ◆ Real estate acquired in the liquidation of a loan previously reported in this category and held
		19	<u>Add:</u> ◆ General and Other Instructions to A14(a) ◆ Intangibles with definite/indefinite lives <u>Change:</u> ◆ Unamortized goodwill has been changed to Goodwill ◆ Real estate acquired in the liquidation of a loan has been changed to Foreclosed real estate and other long-lived assets acquired in the liquidation of a loan
		20, 30	<u>Change:</u> ◆ Debentures has been changed to Subordinated debts
		22	<u>Change:</u> ◆ Third Party Assets – Institution administered has been changed to Third Party Assets – Institution sponsored/administered
		30	<u>Add:</u> ◆ General and Other Instructions to L9(c) ◆ “and other termination benefits” to fifth bullet under L9(d) Other
		31	<u>Add:</u> ◆ Financial instruments that relate to amounts reported as Tier 1 Capital....
8	January 2006	1	<u>Add:</u> ◆ Section 24 of the Bank of Canada Act
		2, 6, 12, 29	<u>Delete:</u> ◆ (net) from Cheques and other items in transit <u>Change:</u> ◆ Instructions for Cheques and other items in transit
		4, 21, 22	<u>Add:</u> ◆ On-balance sheet column ◆ 2. Securitized residential mortgages ◆ General Instructions for Memo item 1 ◆ General Instructions for Memo item 1 (b) ◆ Instructions for Memo item 2
		13	<u>Add:</u> ◆ Retained interests to Asset 8 ◆ Other instructions for Asset 8

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## AMENDMENT CONTROL LOG

### Monthly Average Return of Assets and Liabilities

Amendment Number	Effective Reporting Date	Page Number	Description
<b>Please note that as of November 2002, all changes are highlighted:</b>			
9	November 2006 for October Year end DTI's and January 2007 for December Year end DTI's.	4, 21	<u>Change:</u> ◆ On balance sheet and Off balance sheet to Recognized and Unrecognized.
		6, 32	<u>Delete:</u> ◆ Foreign currency translation adjustment  <u>Add:</u> ◆ Accumulated other comprehensive income (loss)
		11	<u>Delete:</u> ◆ Wording (reported at amortized cost) under Asset 3
		12	<u>Change:</u> ◆ Securities held for Investment Account to Securities held at Amortized Cost and instructions ◆ Securities held for Trading Account to Securities Held at fair value and instructions
		12, 29	<u>Change:</u> ◆ Instructions for Cheques and other items in transit
		13	<u>Change:</u> ◆ Other instructions for Asset 8
		19, 30	<u>Change:</u> ◆ CICA 3860.34 to CICA Handbook S.3861 for Asset 14 and Liability 9(c)a)
10	November 2007 for October Year end DTI's and January 2008 for December Year end DTI's.	31	<u>Change:</u> ◆ Off-balance sheet to unrecognized
11	Q1 2009	2 to 25	Significant changes were made to these instructions due to Data Rationalization. Please note that the copy of the return template has been deleted from these instructions and has been posted as a separate item on OSFI's website.

## **MONTHLY AVERAGE RETURN OF ASSETS AND LIABILITIES**

### **PURPOSE**

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

### **STATUTORY**

Sections 628 and 600 of the Bank Act and Section 24 of the Bank of Canada Act.

### **APPLICATION**

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

### **PUBLICATION**

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

### **FREQUENCY**

Monthly, on an average of days basis.

### **CONTACT PERSON**

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

### **REPORTING DATES**

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

### **CONTACT AGENCY**

Bank of Canada.

## **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.

This return is to be completed on an average of days basis. That is, balances for each item on the return are to be determined as the average of the amount outstanding at the end of each day of the month. The averaged balances are to be reported to the Bank of Canada on this return.

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 here.

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 in accordance with the instructions for the month-end Consolidated Balance Sheet; the accrual is to be included in Asset 6(b). 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.

A resident bank, foreign bank branch, deposit-taking institution or regulated financial institution includes only those offices which are located in Canada. Foreign branches of Canadian institutions are to be included with non-resident institutions. Otherwise residency of borrowers and depositors is determined by their mailing address, unless the reporting bank has other information regarding residency.

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 6(a).

Assets of insurance subsidiaries such as securities and mortgages that readily fall into the asset categories used by institution are to be reported in these categories.

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

## SECTION I - CANADIAN DOLLAR ASSETS

### A 1 Cash and Cash Equivalents

#### (a) Bank of Canada Notes and Canadian Coin

Include:

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

Other Instructions:

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

#### (b) 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.

#### (c) Deposits with Regulated Financial Institutions less Allowance for Impairment

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

Include:

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

Exclude:

- deposits with Bank of Canada.

Other Instructions:

Overdrafts in deposit accounts with regulated financial institutions, which are deposit-taking, are to be included in Liability I(a)(iv) - Demand and Notice 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 3(a)(ii) - Non-Mortgage Loans - To Regulated Financial Institutions.

**(d)** Cheques and Other Items in Transit

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

**A 2** **Securities**

General Instructions:

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

Securities Held at Amortized Cost:

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

Securities Held at Fair Value:

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

Amortization - see Glossary

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

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

**(a)** Securities Issued or Guaranteed by Canada

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

Include:

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

(b) Securities Issued or Guaranteed by a Canadian Province, Municipality or School Corporation

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

(c) Other Securities, less Allowance for Impairment

(i) Short-term

(ii) Long-term

Include in (i) or (ii) as appropriate:

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

Other instructions:

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

(iii) 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 organizations purchased for other than investment purposes are to be included under Asset 6(b).

Debt and equity securities that normally would be included in Other Securities but have been guaranteed by Canada or by provinces, or municipal or school corporations should be reported as Assets 2(a) and 2(b), respectively.

The cost at which fixed-term equity securities, held for Investment Account, are carried is to be adjusted for the amortization of the 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 3 Loans

(a) Non-Mortgage Loans, less Allowance for Impairment

(i) 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 3(a)(ii).

(ii) 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.

**Of which:** Banks and Foreign Bank Branches

Include:

- commercial loans to banks and foreign bank branches in Canada and elsewhere, and include loans to foreign central banks or foreign monetary institutions and overdrafts in deposit accounts of other banks.

(iii) 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 and municipal Treasury Bills and like evidence of indebtedness and include with securities (see Asset 2(b));

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 3(a)(viii).

(iv) 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 3(a)(ii), 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 3(a)(viii).

(v) Lease Receivables

Exclude:

- conditional sales contracts (see Assets 3(a)(vi) and (viii)).

(vi) To Individuals for Non-Business Purposes

Other Instructions:

Loans to individuals for non-business purposes are those used to finance the acquisition of consumer goods and services, including the acquisition of securities.

(A) Personal loan plans

Include:

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

(B) Credit card loans

Include:

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

(C) Personal lines of credit

Include:

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

(D) Other personal loans

Include:

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

(vii) Reverse Repurchase Agreements

Include:

- Reverse repurchase agreements

(viii) 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 and not reported elsewhere;

- 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 **2(c)(i)**.

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

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

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

Net unamortized amounts of fees and costs associated with lending activities are to be included in the balances of the respective loan categories. When net unamortized fees and costs are immaterial, these amounts may be included in Liability **6** - Other Liabilities.

**(b)** 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 **3(a)(vi)** or **3(a)(viii)** as appropriate.

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

A mortgage secured by buildings of which at least 50% of the floor space is used or will be used for permanent private accommodation is to be included under Asset **3(b)(i)**.

Collateral mortgages are to be included in Asset **3(a)(vi)** or **3(a)(viii)**.

Tax prepayments are to be included under either Liability **1(b)(vi)** or **1(b)(vii)** as the case may be. Cheques issued for mortgages advances are to be included under Asset **1(d)** until charged to the mortgage account.

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

**(i)** Residential

**(A)** Insured

Include:

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

Exclude:

- mortgages that cease to be insured.

**(B)** 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 **5** or **6(b)**.

**(ii)** Non-residential

Include:

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

**A 4** 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 **3(a)(viii)** with a corresponding reduction in Asset **4** and Liability **5**, if previously reported in these categories;
- refer to Liability **5**.

**A 5** Land, Buildings and Equipment, Less Accumulated Depreciation

Include:

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

Other Instructions:

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

**A 6 Other Assets**

**(a) Insurance-Related Assets**

Include:

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

**(b) Other Assets**

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

General Instructions:

Report on a gross basis:

- a) Netting of assets and liabilities is only permissible in accordance with CICA Handbook S. 3861; and
- b) Amounts “due to/from” one branch cannot be used to offset amounts “due to/from” either head office or another branch of the same bank.
- c) Unless there is a netting arrangement in place, it is possible to have both an asset and a liability with another branch.

Include:

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

Other Instructions:

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

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

(ii) Other

Include:

- accrued interest and dividends on Assets 1(c), 2, 3 and 6(a).
- stationery inventory if any;
- prepaid insurance, taxes and other prepaid expenses;
- all postage and other stamp inventories, if any, held in Canada and elsewhere;
- goodwill;
- intangibles with definite lives;
- intangibles with indefinite lives;
- future taxes if balance is a debit;
- sundry accounts receivable;
- recoverable tellers' shortages;
- recoverable losses arising from defalcations, hold-ups, robberies, etc.;
- foreclosed real estate and other long-lived assets acquired in the liquidation of a loan;
- shareholdings that are of a temporary nature because of a formal agreement for disposal of the institution's interest;
- securities of clubs and like local not for profit organizations purchased for other than investment purposes;
- unamortized discount, if any, on subordinated debt issued and outstanding;
- special pension fund payments that have not yet been charged to operating expenses;
- other payments, etc. that have not been charged to operating expenses;
- other expenditures that are to be charged to operating expenses at a later date;
- any interest in a partnership that is not in the form of a loan or marketable security;
- suspense balances relating to derivative instruments, including unrealized gains or losses if the balance is a debit;
- assets sold with recourse.

Other Instructions:

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

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

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

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

## SECTION I – CANADIAN DOLLARS ASSETS – MEMO ITEMS

### 1. Securitized Assets

General Instructions:

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

(a) Institution's own assets

**(A) Traditional Securitizations**

(i) Credit card loans

Include:

- credit card loans that otherwise would be reported in Asset 3(a).

(ii) Automobile loans

Include:

- automobile loans that otherwise would be reported in Asset 3(a).

(iii) Personal loans

Include:

- personal loans that otherwise would be reported in Asset 3(a).

(iv) Commercial loans

Include:

- commercial loans that otherwise would be reported in Asset 3(a).

(v) Lease receivables

Include:

- lease receivables that otherwise would be reported in Asset 3(a).

(vi) Residential mortgages, insured

Include:

- residential mortgages, insured that otherwise would be reported in Asset 3(b).

(vii) Residential mortgages, uninsured

Include:

- residential mortgages, uninsured that otherwise would be reported in Asset 3(b).

(viii) Non-residential mortgages

Include:

- non-residential mortgages that otherwise would be reported in Asset 3(b).



- (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

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

**(A) Traditional Securitizations**

General Instructions:

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

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

**(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

- (c) Retained Interests

Include:

- retained interests included in asset 2(b)(i).

2. Securitized residential mortgages (bank originated conduits)

General Instructions:

- Report those included in Securities.

## **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 or 2 and other than those that by their nature should be reported under Liability 6(b) or 6(c) are to be reported under Liability 6(a).

Deposits from an associated corporation that is a foreign deposit-taking institution are to be reported under Liability 1(a)(iv), 1(b)(iv) or 2(d), as appropriate, and deposits from any other associated corporation are to be reported under Liability 1(a)(vii), 1(b)(vii) or 2(g), as appropriate.

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

Where a deposit instrument is issued at a discount, the proceeds or discounted amounts are to be reported in Liability 2. The accumulated amortization of the discount is to be reported in Liability 6.

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 - CANADIAN DOLLAR LIABILITIES**

### **L 1 Demand and Notice Deposits**

#### **(a) Chequable**

##### **(i) Canada**

Include demand and chequable notice 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.

##### **(ii) Provinces**

Include demand and 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) Municipal or school corporations

Include:

- Demand and chequable notice deposits of school commissions, boards and districts, and municipal public utilities.

(iv) Deposit-taking institutions

Include:

- demand and chequable notice 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 other deposit-taking institutions are to be reported under Asset 1(d) or Liability 3.

(v) **Of which:** Resident banks and Foreign Bank Branches

Include:

- demand and chequable notice deposits of Canadian and foreign banks, foreign bank branches and official monetary institutions, and overdrafts in deposit accounts with other banks and foreign bank branches.

(vi) Individuals

Include:

- demand and chequable notice 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;
- 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:

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

(vii) Others

Include:

- other free credit balances payable on the books of investment dealer subsidiaries;
- accounts of firms, business partnerships and personal corporations;
- accounts of pension funds;
- accounts or religious, charitable, fraternal, labour, recreational, educational and welfare organizations, institutions and corporations;
- demand and 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) Municipal or school corporations

Include:

- Non-chequable notice deposits of school commissions, boards and districts, and municipal public utilities.

(iv) Deposit-taking Institutions

Include:

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

(v) **Of which:** Resident banks and Foreign Bank Branches

Include:

- non-chequable notice deposits of Canadian and foreign banks, foreign bank branches and official monetary institutions.

(vi) Individuals

(A) Tax-sheltered

- (I) RRSPs
- (II) Other

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 or 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.

(vii) 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 2** 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) Municipal or school corporations

Include:

- Term notes regulated in the name of school commissions, boards and districts and municipal public utilities.

(d) 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.

(e) Of which: Resident banks and Foreign Bank Branches

Include:

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

(f) Individuals

- (i) Tax-sheltered
- (A) RRSPs
  - (B) Other

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 or individuals.

Exclude:

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

**(g)** 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 3** Cheques and Other Items in Transit

Include:

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

**L 4** Advances From the Bank of Canada

Include:

- all advances from the Bank of Canada.

**L 5** Acceptances

Refer to Asset **4**.

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 **3(a)(viii)**.

**L 6** Other Liabilities

**(a)** Liabilities of Subsidiaries, Other Than Deposits

**(i)** 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.

(ii) Other

Include:

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

(b) Insurance-Related Liabilities

Include:

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

(c) Other Liabilities

(i) Obligations Related to Borrowed Securities

Include:

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

(ii) Obligations Related to Assets Sold Under Repurchase Agreements

Include:

- liabilities incurred under sale and repurchase agreements.

(iii) 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.



(iv) Other

Include:

- dividends accrued and payable and estimated accrual-to-date of the dividend for the current quarter;
- contributions of bank and staff payable to Unemployment Insurance Fund;
- unamortized premiums on subordinated debt outstanding;
- income taxes withheld from staff salaries, directors' fees, dividends, etc.;
- estimated accrual-to-date of contributions, current and arrears, payable to the pension fund and other termination benefits for the current year;
- interim net profit or loss of financial period if it has not yet been debited or credited to retained earnings;
- capital leases;
- allowance for impairment applicable to unrecognized items;
- suspense balances relating to derivative instruments including unrealized gains and losses if the net balance is a credit;
- accrued expenses and salaries and accounts payable;
- liability for assets sold with recourse;
- mortgages and other loans payable;
- financial instruments that relate to amounts reported as Tier 1 Capital in the G-3 but accounted for as liabilities. Include only preferred shares and amounts related to innovative tier 1 structures grandfathered under OSFI July 2003 and/or February 2004 Advisories;
- estimated accrual to date of income taxes payable for the current year;
- future taxes if balance is credit;
- deferred fees, commissions and other revenues;
- deferred servicing fee income on mortgage-backed securities and other securitized assets;
- unearned safety deposit box rentals and safekeeping charges;
- other unearned income, except pre-computed interest on loans;
- accrued interest on deposits (Liabilities 1 and 2);
- accumulated amortization of discounts on deposit instruments issued at a discount;
- interest accrued on subordinated debt (Liability 8);
- accrued interest on other liabilities as appropriate.

Other Instructions:

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

**L7 Non-Controlling Interests in Subsidiaries**

Include:

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

**L 8 Subordinated Debt**

Include:

- debentures;
- subordinated notes.

Other Instructions:

Unamortized discounts, if any, are to be reported under Asset **6(b)**.

Unamortized premiums, if any, are to be reported under Liability **6(c)**.

Report all amounts at par.

**L 9 Shareholders' Equity**

(a) Preferred Shares

Include:

- preferred shares issued by the institution.

(b) Common Shares

Include:

- common shares issued by the institution.

(c) Contributed Surplus

Include:

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

(d) Retained Earnings

Include:

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

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

(e) Accumulated Other Comprehensive Income (Loss)

Include:

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

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

General Instructions:

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

**SECTION III - SELECTED INFORMATION ON FOREIGN CURRENCY ASSETS**

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

(a) Acceptances

Include:

- foreign currency acceptances issued by other residents.

(b) Other balances

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

Include:

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

(ii) Other

Include:

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

**2. Securities Issued by Residents, less allowance for impairment**

Include:

- securities issued by all levels of governments of Canada, school corporations and other resident issuers.

Other Instructions:

Securities (with the exception of Government of Canada securities) are to be classified according to their original term to maturity, with reference to the issue and maturity dates of the security. Those securities having an original term to maturity of one year or less are to be classified as short-term, while securities with longer terms are to be classified as long-term. Government of Canada securities are to be classified according to their residual term to maturity; short-term means any security having a remaining term to maturity of three years or less, while long-term means any security with a remaining term to maturity of greater than three years.

### 3. Loans to Residents, less allowance for impairment

- (a) Reverse repurchase agreements

Include:

- reverse repurchase agreements with residents.

- (b) Non-mortgage loans

Other Instructions:

Foreign currency loans are to be reported for regulated financial institutions, banks and foreign bank branches, individuals for non-business purposes and all other residents borrowers. See instruction for Asset 3(a) in Section I for classification of these loans to various borrowers.

- (c) Mortgage loans

Other Instructions:

See instructions for Asset 3(b) in Section I for definitions of residential and non-residential properties.

## SECTION IV - SELECTED INFORMATION ON FOREIGN CURRENCY LIABILITIES

### 1. Deposit Liabilities Payable to Residents

Other Instructions:

Classify foreign currency deposits payable to residents as demand and notice or term deposits. The amount reported in this item is to be split between those deposits payable to resident deposit-taking institutions, banks, foreign bank branches and those deposits payable to other residents.

## SECTION V - NET FOREIGN CURRENCY ASSETS POSITION

This item should report the net foreign currency assets spot position of the institution and its consolidated subsidiaries. This position is defined to be the total of all foreign currency assets after allowance for impairment less the total of all foreign currency liabilities. "Spot" is defined to comprise all transactions that have been completed at the close of business on the days used to develop the average of days data. Do not include any transactions such as forward purchases of foreign exchange that were incomplete (i.e., unsettled) on the days used to develop the monthly average data. Include gold/silver claims and deposits (certificates) in the net foreign currency asset spot position.

**Of which:** vis-à-vis Head Office and related Canadian regulated financial institutions

Include: Please note this line is to be completed by foreign bank branches only.

- Net foreign currency asset position vis-à-vis Head Office and related Canadian regulated financial institutions.