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Reporting Instructions: Financial and Statistical Return

B.C. Credit Unions

BCFSA

Contents

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1 Introduction

These reporting instructions provide guidance to B.C. credit unions for reporting the Financial and Statistical Return (FSR) to the Superintendent of Financial Institutions at BC Financial Services Authority (BCFSA), as required by the Financial Institutions Act (FIA) and in the form established in BCFSA's FSR Regulatory Statement.

1.1 CONSOLIDATED REPORTING

Credit unions must prepare the FSR on a consolidated basis, in accordance with the International Financial Reporting Standards (IFRS), unless otherwise specified in these reporting instructions. To align consolidated reporting requirements with BCFSA's Capital Adequacy Return (CAR), if a credit union owns an insurance company subsidiary (i.e., an insurance company that underwrites insurance and is regulated for solvency, and is not an insurance brokerage or agency), consolidation does not apply. Instead, that insurance subsidiary would be reported as a significant investment using the equity method of accounting.

Note: If a credit union has a bank subsidiary regulated by the federal Office of the Superintendent of Financial Institutions (OSFI), the credit union must prepare the FSR on a consolidated basis, including the bank subsidiary, regardless of the capital treatment applied in the CAR reporting.

2 Financial and Statistical Return (FSR)

To simplify the presentation of the consolidated balance sheet and comprehensive income statement, selected lines (e.g., details of loans and leases) are moved to separate sections of the FSR and replaced with single lines representing subtotals and totals from those sections.

2.1 SECTION 1000 – CONSOLIDATED BALANCE SHEET – ASSETS

2.1.1 Cash and Investments

Line 1000-100: Cash and Deposits

Total Cash and Deposits from Section 1100. Include cash, deposits with Central 1 Credit Union (Central 1), and other deposits.

Line 1000-110: Investments

Total Investments from Section 1110. Include guaranteed security instruments, debt security instruments, securities secured by mortgages, equity instruments, and other investments.

Line 1000-120: Allowance for Credit Losses on Investments

Allowance for expected credit losses on deposits and investments described above.

Line 1000-130: Accrued Interest and Dividends on Investments

Accrued interest and dividends on deposits and investments described above.

2.1.2 Loans and Leases

Line 1000-200: Personal Loans and Leases

Total Personal Loans and Leases from Section 1200. Include residential mortgages and other loans and leases to individuals for non-commercial purposes.

Line 1000-210: Commercial Loans and Leases

Total Commercial Loans and Leases from Section 1200. Include loans and leases to individuals for commercial purposes, and loans and leases to non-individuals.

Line 1000-211: Loans to Credit Unions

This line only applies to Central 1. Report the outstanding balance of lines of credit and loans to credit unions.

Line 1000-215: Reverse Repurchase Agreements

A reverse repurchase agreement refers to an agreement that involves the purchase of a security or other asset with a simultaneous commitment by the credit union to resell the asset to the original seller on a future date at a specified price.

Line 1000-220: Allowance for Credit Losses on Loans and Leases

Total Allowance for Credit Losses on Loans and Leases from Section 1230. Include allowance for expected credit losses on loans and leases described above.

Line 1000-230: Accrued Interest on Loans and Leases

Accrued interest on loans and leases described above.

2.1.3 Other Assets

Line 1000-300: Premises and Equipment

Net book value, after accumulated depreciation and impairment, of property, plant and equipment, such as land, buildings, leasehold improvements, furniture and equipment (computer and non-computer), automobiles, ATMs (owned or leased), etc.

Line 1000-310: Right-of-Use Assets

Right-of-use assets, representing the right to use the underlying leased assets for the lease term, net of any accumulated depreciation and impairment. Report the associated liabilities for lease payments on the Lease Liabilities line on the balance sheet in Section 2000.

Line 1000-320: Property Acquired in Settlement of Loans and Leases

Property, including land, buildings, vehicles, and any other property, acquired in settlement or partial settlement of loans and leases, net of any allowance for property losses and accumulated depreciation.

Line 1000-330: Property Held for Investments

Property, including land and buildings, acquired for investment purposes or acquired in settlement of loans and leases, and held to earn rental income or for capital appreciation, net of any allowance for property losses and accumulated depreciation.

Line 1000-340: Derivative Assets

Derivative Assets from Section 1500. Amounts relating to derivative instruments, including unrealized gains (losses are to be offset against gains, only as permitted by IFRS), margin requirements, and premiums paid.

Line 1000-345: Goodwill

Goodwill is the excess of the amount paid to acquire an enterprise, over the book value assigned to assets acquired and liabilities assumed.

Line 1000-350: Intangible Assets

Intangibles are assets that lack physical substance (e.g., brand names, copyrights, franchises, licenses, patents, software, subscription lists, and trademarks).

Line 1000-371: Equity Investments in Associates and Joint Ventures

Investments in associates over which the credit union has significant influence but not control, and joint ventures over which the credit union has joint control. These investments are accounted for using the equity method under IFRS.

Line 1000-380: Deferred Income Tax Assets

Deferred income tax assets from differences between taxable and accounting income.

Line 1000-390: All Other Assets

All other assets at book value that are not included in other lines in the assets section of the balance sheet. Includes prepaid expenses, accounts receivable, cash shortages, and current income tax receivable.

Note: If prepaid expenses, receivables, etc. are in a net credit position, review the individual accounts. All accounts in a credit position are to be reported on the All Other Liabilities line on the balance sheet in Section 2000.

2.2 SECTION 2000 – CONSOLIDATED BALANCE SHEET – LIABILITIES AND MEMBERS' EQUITY

2.2.1 Borrowings

Line 2000-100: Central 1 Borrowings

Total Central 1 Borrowings from Section 2100. Include Central 1 operating account (overdraft), and other borrowings from Central 1.

Line 2000-110: Other Borrowings

Total Other Borrowings from Section 2100. Include securitizations and other borrowings, except borrowings from Central 1.

Line 2000-120: Accrued Interest on Borrowings

Accrued interest on borrowings described above.

2.2.2 Deposits

Line 2000-200: Demand Deposits

Total Demand Deposits from Section 2200. Include chequing, savings, registered, and other demand deposits.

Line 2000-210: Term Deposits

Total Term Deposits from Section 2200. Include redeemable, non-redeemable, registered, and other term deposits.

Line 2000-220: Non-Equity Shares

Include active non-equity shares. Also include endowment shares.

Line 2000-230: Accrued Interest/Dividends on Deposits/Non-Equity Shares

Accrued interest on deposits and accrued dividends on non-equity shares. Also include accrued dividends on equity shares that are payable in cash or as a credit to a non-equity share or other deposit account. This line does not include accruals for patronage refunds.

Note: Accrued dividends that are payable as equity shares, must be reported on the Other Shares lines on the balance sheet in Sections Other Liabilities and Members' Equity.

2.2.3 Other Liabilities

Line 2000-300: Dormant Deposits

Report dormant and inactive deposits on this line. Also include dormant non-equity shares.

Line 2000-301: Cheques and Items in Transit Liabilities

Report a negative or credit balance of cheques and other items in transit from manager's chequing account(s) and other related clearing account(s) administered in the member chequing sub-ledger, or other general ledger accounts. Report the net credit balance of transit items, when offsetting is permitted by IFRS.

Note: A positive or debit balance is reported on the Cheques and Items in Transit Assets line in Section 1100 – Cash and Deposits.

Line 2000-305: Obligations Related to Securities Sold Short

Report liabilities related to borrowed securities sold short.

Line 2000-310: Derivative Liabilities

Derivative Liabilities from Section 1500. Amounts relating to derivative instruments, including unrealized losses (gains are to be offset against losses, only as permitted by IFRS), deferred unrealized gains relating to reserves for credit and market risks, administration costs etc., and premiums received.

Line 2000-320: Lease Liabilities

Report lease liabilities for lease payments related to right-of-use assets, representing the right to use the underlying leased assets for the lease term, and reported in Section 1000.

Line 2000-325: Debt Securities Issued

Include debt securities (i.e., notes, commercial paper, etc.) issued by the credit union. This line does not include subordinated debt.

Line 2000-330: Subordinated Debt

Include the outstanding balance due to the Credit Union Deposit Insurance Corporation of British Columbia (CUDIC) or the Stabilization Central Credit Union of British Columbia (SCCU) under a financial assistance subordinated debenture, and other subordinated debt owed to parties other than CUDIC or SCCU.

Line 2000-340: Deferred Income Tax Liabilities

Deferred income tax liabilities from differences between taxable and accounting income.

Line 2000-345: Membership Shares

Include active, dormant, and inactive membership shares issued to members of the credit union.

Line 2000-346: Other Shares Classified as Liabilities

Include active, dormant, and inactive investment shares, transaction shares, preferred shares, and other equity shares issued to members and non-members of the credit union. Also include accrued but unpaid dividends on equity shares and non-equity shares and accrued patronage refunds that are payable as ~~equity~~ shares with the same accounting classification (liabilities).

Line 2000-350: All Other Liabilities

Include items, such as deferred income, certified cheques, employee deductions, trade accounts, cash overages, current income tax payable, other accounts payable, accruals for patronage refunds (payable in cash or as a credit to a loan, or to a non-equity share or other deposit account), outstanding clearings (excluding manager's chequing accounts and related clearings), and other liabilities not included in other lines in the liabilities section of the balance sheet.

2.2.4 Members' Equity

Line 2000-400: Other Shares Classified as Equity

Include active, dormant, and inactive investment shares, transaction shares, preferred shares, and other equity shares issued to members and non-members of the credit union. Also include accrued but unpaid dividends on equity shares and non-equity shares and accrued patronage refunds that are payable as shares with the same accounting classification (equity).

Line 2000-410: Contributed Surplus

Contributed surplus from share capital transactions and business combinations.

Line 2000-420: Retained Earnings (Deficit)

Ending Balance of Retained Earnings (Deficit) from Section 2500.

Line 2000-430: Accumulated Other Comprehensive Income (Loss)

Ending Balance of Accumulated Other Comprehensive Income (Loss) from Section 2600. Include accumulated unrealized fair value gains (losses), actuarial gains (losses) on pension plans, revaluation surplus, and other unrealized gains (losses), net of income taxes, recognized in other comprehensive income (loss).

2.3 SECTION 3000 – CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

2.3.1 Net Interest Income

Line 3000-100: Interest Income

Total Interest Income from Section 3100. Include interest income and dividends from investments, interest income from loans and leases, and other interest income.

Line 3000-110: Interest Expense

Total Interest Expense from Section 3110. Include interest expense on borrowings, interest expense on deposits, dividends on non-equity shares, and other interest expense.

Line 3000-120: Net Interest Income

Net Interest Income equals Total Interest Income minus Total Interest Expense.

2.3.2 Other Income

Member Services

Report details of member service income (net of expenses) on the following lines:

Line 3000-150: Deposit Account Services

Net of revenues and costs from deposit account services, i.e., service charges, account activities charges, stop payments, returned cheques charges, trustee fees paid to Central 1 for registered deposit products, net revenues (expenses) from ATM transactions, EFTPOS, foreign currency exchange, fees from retail services plans, income from safety deposit box services, commissions for other payment services (including transfer of funds, sale of drafts, money orders and travelers' cheques), service fee revenue net of expenses on debit/credit card transactions, and deposit agent commissions.

Line 3000-160: Loan and Lease Fees

Net of revenues and costs from lending and leasing services, i.e., appraisal fees, loan application fees, loan renewal fees, mortgage discharge fees, standby charges, acceptance fees, finder's fees, loan administration fees, realized gains (losses) on sale of loans and leases, loan and lease securitization set up costs and fees, realized gains (losses) on credit union originated securitized assets, and other loan and lease related fees and costs. Mortgage prepayment fees must be recorded here, unless they are related to the modification to the terms of the mortgage, in which case the fees are recognized over the expected remaining term of the original mortgage using the effective interest rate method and reported as loan interest income.

Note: All loan origination fees that are considered adjustments to loan yield are recognized using the effective interest rate method and are reported on the appropriate Interest Income from Loans and Leases lines in Section 3100.

Line 3000-170: Insurance, Wealth Management and Trust Services

Net of revenues and costs from insurance, wealth management and trust related services, i.e., commissions and fees earned from acting as selling brokers/agents of insurance products, commissions and fees earned from acting as selling agents of units or other interests in mutual (investment) funds, and fees/costs generated from estate and trust management and administration, as well as from acting as agents for customers. Also include fees/costs from custodial services, retirement savings plan services (i.e., application, management, administration, and termination), and other related revenues and costs from financial planning and trust services.

Line 3000-180: Other Member Services

Net revenues (expenses) from foreign currency exchange, the net amount of cash overages and shortages, and any other member services income, net of related costs, not included in other Member Services income lines.

Line 3000-181: Membership Dues

This line only applies to Central 1. Include the revenues from membership dues assessed by Central 1 for providing services to its members.

Note: Central 1 membership dues paid by the credit union are included in the Operating Expenses section in the Other Operating Expenses line.

Gains (Losses) on Financial Instruments

Gains (net of losses) including realized and unrealized gains (losses), and impairment losses on financial instruments.

Line 3000-190: Trading Gains (Losses) on Financial Instruments

Realized gains (losses) from sale of financial instruments, including securities, interest rate swaps, forwards, futures, foreign exchange, equity, and other derivative contracts.

Note: Realized gains (losses) on credit union originated securitized assets are to be included in the Loan and Lease Fees line in the Member Services section.

Line 3000-200: Fair Value Gains (Losses) on FVTPL Financial Instruments

Fair value adjustments for instruments measured at fair value through profit or loss (FVTPL), including securities, interest rate swaps, forwards, futures, foreign exchange, equity, and other derivative contracts.

Line 3000-210: Impairment Losses (Recoveries) on Loans and Leases

Impairment expense provisions for credit losses on loans and leases.

Line 3000-220: Other Impairment Losses (Recoveries)

Impairment expense provisions on investments, and on other financial instruments, excluding impairment losses (recoveries) on loans and leases.

Line 3000-230: Gains (Losses) on Sale of Other Assets

Gains (net of losses) on disposal of premises and equipment, property held for investments, property acquired in settlement of loans and leases, and other assets, not including financial instruments.

Line 3000-240: Other Non-Interest Income

Net proceeds (income less expense) from property held for investments, including property write-downs or write-offs occurring subsequent to acquisition, depreciation expense on property held for investments, and any changes in the fair value of property held for investments. Also include income from rent received on premises and equipment, fair value decreases in premises and equipment, dividends on savings/loan insurance, and any other income not included on other lines in this section.

Note: Gains (losses) on the disposal of property held for investments are included in the Gains (Losses) on Sale of Other Assets line in this section.

Line 3000-300: Net Interest and Other Income

Net Interest and Other Income equals Net Interest Income plus Total Other Income.

2.3.3 Operating Expenses

Line 3000-400: Salaries and Benefits

All salaries and benefits, including salary bonuses or other remuneration.

Line 3000-410: Data Processing/Information Technology

Expenses for data processing operations, such as service bureau billings, maintenance, license fees for hardware or software, computer paper and other supplies, line charges, and other related expenses. Include income derived from sale of such services.

Note: Data processing salary expenses must be included in the Salaries and Benefits line, amortization of computer hardware/software must be included in the Depreciation/Amortization line, and data processing consulting fees from external consultants must be included in the Professional Services line.

Line 3000-420: Premises and Equipment

Costs of occupying or operating premises and equipment, such as property/contents insurance, property taxes, rent, utilities, repairs and maintenance, janitor services, ATMs, etc. Include contract costs for leased ATMs.

Note: Gains (losses) on the disposal of premises and equipment are included in the Gains (Losses) on Sale of Other Assets line in the Other Income section.

Line 3000-430: Depreciation/Amortization

Depreciation expense on premises and equipment, and amortization expense on intangible assets, including amortization of computer hardware/software. Include depreciation expense on right-of-use assets.

Note: Depreciation expense on property held for investments must be reported on the Other Non-Interest Income line in the Other Income section. Also, depreciation expense on property acquired in settlement of loans and leases must be reported on the Property Acquired in Settlement of Loans and Leases line in this section.

Line 3000-440: Property Acquired in Settlement of Loans and Leases

Expenses for all repossessed goods and properties, including property write-downs or write-offs occurring subsequent to acquisition, related depreciation expense, changes in the fair value of property acquired in settlement of loans and leases, legal and commission fees, property management fees, professional fees, property appraisals, property taxes, repairs and maintenance, utilities, insurance, etc., net of any related income, such as rent.

Note: Gains (losses) on the disposal of property acquired in settlement of loans and leases are included in the Other Income section in the Gains (Losses) on Sale of Other Assets line.

Line 3000-450: Advertising and Promotion

Advertising and promotion related expenses. Include sponsorships made to charities, foundations, and community where it offers the credit union significant visibility, business reciprocity opportunities, and aligns with the credit union’s business development objectives.

Note: Donations to charities, foundations, and the community are included in the Charitable/Community Donations line in the Distribution to Members and Donations section.

Line 3000-460: Professional Services

Legal, audit, and consulting fees. Consulting fees include those provided by external consultants for data processing, accounting, strategic business planning, special projects, etc.

Line 3000-470: Other Operating Expenses

Non-financial expenses not included in other lines in this section, i.e., insurance (bonding and other), bank service charges, courier fees, savings/loan insurance, director/committee remuneration and expenses, staff travel, staff training/recruitment, stationery and supplies, postage, telephone and communication, collection, BCFSA fees, CUDIC/SCCU assessment fees, Central 1 membership dues, filing fees, capital tax expense, etc.

Line 3000-500: Operating Income (Loss)

Operating Income (Loss) equals Net Interest and Other Income minus Total Operating Expenses.

2.3.4 Income (Loss) from Equity Investments in Associates and Joint Ventures

Line 3000-531: Share of Income (Loss) from Equity Investments in Associates and Joint Ventures

The credit union's proportional ownership share of associates and joint ventures' year-to-date net income (loss) after income taxes, and goodwill and intangible asset impairment/amortization expenses, calculated using the equity method of accounting.

Note: If the credit union's share of losses of its equity investments in associates and joint ventures equals or exceeds the value of the investment, the credit union should discontinue recognising its share of further losses. After the value of the credit union's investment is reduced to zero, additional losses are recognised by a provision only to the extent that the credit union has incurred legal or constructive obligations or made payments on behalf of the associate/joint venture. If the associate/joint venture subsequently reports profits, the credit union should resume recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Line 3000-550: Net Operating Income (Loss)

Net Operating Income (Loss) equals Operating Income (Loss) plus Share of Income (Loss) from Equity Investments in Associates and Joint Ventures.

2.3.5 Distribution to Members and Donations

Line 3000-560: Dividends on Shares

Year-to-date declared dividends on shares treated as expense.

Note: Year-to-date declared dividends on shares treated as distributions of retained earnings are reported in Section 2500. Dividend expense on non-equity shares is reported in Section 3110.

Line 3000-570: Patronage Refunds

Year-to-date accrual of patronage refunds expense.

Line 3000-580: Charitable/Community Donations

Donations to charities, foundations, and the community. The donation applicants must be recognized as a charity or non-profit organization and have a charter to that effect.

Note: Sponsorships made to charities, foundations, and community where it offers the credit union significant visibility, business reciprocity opportunities, and aligns with the credit union's business development objectives, are included in the Advertising and Promotion line in the Operating Expenses section.

2.3.6 Net Income (Loss)

Line 3000-600: Provision for Income Taxes

Year-to-date accrual of income tax expense (recovery).

Line 3000-640: Income (Loss) from Discontinued Operations, Net of Tax

Income (loss) from discontinued operation, including gains (losses) on sale of discontinued operations, reported net of tax.

Line 3000-650: Net Income (Loss)

Net Income (Loss) equals Net Operating Income (Loss) minus Total Distribution to Members and Donations minus Provision for Income Taxes plus Income (Loss) from Discontinued Operations.

2.3.7 Comprehensive Income (Loss)

Line 3000-670: Other Comprehensive Income (Loss), Net of tax

Other comprehensive income (loss), include unrealized fair value gains (losses), actuarial gains (losses) on pension plans, revaluation surplus, and other unrealized gains (losses), reported net of tax.

Line 3000-680: Share of OCI from Equity Investments in Associates and Joint Ventures, Net of Tax

Include the credit union's proportional share of associates and joint ventures' other comprehensive income (loss) (OCI), reported net of tax.

Line 3000-700: Total Other Comprehensive Income (Loss)

Sum of the above two other comprehensive income (loss) lines.

Line 3000-750: Total Comprehensive Income (Loss)

Total Comprehensive Income (Loss) equals Net Income (Loss) plus Total Other Comprehensive Income (Loss).

2.4 CASH AND INVESTMENTS

2.4.1 Section 1100 – Cash and Deposits

Line 1100-100: Cash on Hand

Include cash on hand (cash that is physically on the premises), cash in transit, cash in ATMs, and any foreign currency held (valued at the current exchange rate).

Line 1100-110: Cash Deposits Held in Trust

Include cash deposits held in trust with Central 1.

Line 1100-115: Cheques and Items in Transit Assets

Report a positive or debit balance of cheques and other items in transit from manager's chequing account(s) and other related clearing account(s) administered in the member chequing sub-ledger, or other general ledger accounts. Report the net debit balance of transit items, when offsetting is permitted by IFRS.

Note: A negative or credit balance is reported on the Cheques and Items in Transit Liabilities line in Section 2000 – Other Liabilities.

Deposits with Central 1 Credit Union

Line 1100-120: Central 1 Operating Account

Report a positive or debit balance of Central 1 operating account.

Note: A negative or credit balance is reported on the Central 1 Operating Account (Overdraft) line in Section 2100 – Borrowings.

Line 1100-130: Central 1 Deposits

Include deposits held with Central 1, except Central 1 operating account. This line does not include Central 1 equity shares.

Line 1100-140: Other Deposits

Include all demand and term deposits that are on deposit with a deposit taking institution or central bank, and a federally or provincially chartered trust company. This line does not include Central 1 deposits.

2.4.2 Section 1110 – Investments

Liquid assets held in trust with Central 1, as statutory liquidity, should be reported on the appropriate lines in this section together with other liquid assets.

Guaranteed Security Instruments

Federal, provincial, and municipal securities, including Treasury Bills and marketable bonds, debt securities of crown corporations and other government entities that are guaranteed unconditionally as to principal and interest.

Line 1110-100: Government of Canada

Securities issued or guaranteed by the federal government. This line does not include securities secured by mortgages and guaranteed by Canada Mortgage and Housing Corporation (CMHC).

Line 1110-110: Provincial Governments

Securities issued or guaranteed by provincial and territorial governments.

Line 1110-120: Municipalities

Securities issued or guaranteed by municipalities. This line does not include loans to municipalities.

Line 1110-130: Other Guaranteed Securities

Securities issued or guaranteed by other government entities.

Debt Security Instruments

Debt security instruments, other than subordinated debt security instruments (e.g., bankers' acceptances, corporate bonds, and commercial paper).

Line 1110-140: Financial Institutions

Debt securities issued or guaranteed by a bank, or a financial institution.

Line 1110-150: Other Debt Securities

Corporate bonds, commercial paper, and other debt securities not issued or guaranteed by a bank, or a financial institution.

Securities Secured by Mortgages

Line 1110-160: Guaranteed by CMHC

Securities that are secured by mortgages and guaranteed by the CMHC, including the National Housing Act Mortgage-Backed Securities (NHA-MBS) and Canada Mortgage Bonds (CMB). This line does not include securitized mortgages originated by the credit union that do not qualify for de-recognition under IFRS.

Line 1110-170: Other Mortgage-Backed Securities

Securities that are secured by mortgages and not guaranteed by CMHC. This line does not include securitized mortgages originated by the credit union that do not qualify for de-recognition under IFRS.

Equity Instruments

Line 1110-180: Equity Shares – Financial Institutions

Common and preferred shares, and other equity instruments of financial institutions. This line does not include equity shares of Central 1 and SCCU.

Line 1110-190: Other Equity Instruments

Other common and preferred shares, and other equity instruments.

Other Investments

Line 1110-200: Equity Shares – Credit Union Centrals

Investment in equity shares of Central 1 and SCCU.

Line 1110-210: CUDIC Debentures

Include the principal investment in CUDIC debentures.

Line 1110-220: CMB Principal and Interest Reinvestment

Eligible reinvestment assets held in principal and interest reinvestment accounts, as required under the CMB program.

Line 1110-230: All Other Investments

Other investments that are not reported on other lines in the Investments section.

2.5 LOANS AND LEASES

2.5.1 Section 1200 – Loans and Leases

Report the outstanding balance of lines of credit, including credit cards, and the outstanding balance of loans and leases in separate columns. Note: This section does not include loans to credit unions and reverse repurchase agreements.

Note the following items must be included in the appropriate lines in this section:

- loans and leases (not originated by the credit union) purchased without recourse in a regular way purchase/sale transaction;
- securitized loans and leases originated by the credit union that have been determined to be financing under IFRS but do not meet IFRS de-recognition criteria; and

- loans to associates and joint ventures where the credit union has an ownership interest with significant influence or joint control (equity method accounting) but do not include loans to consolidated subsidiaries as these are eliminated at consolidation.

Personal – Real Estate Secured

Line 1200-100: Insured

Include residential mortgage loans and lines of credit fully secured by mortgages on residential real estate property and have been approved or insured under the National Housing Act (Canada) (NHA), or by an insurer authorized to conduct mortgage insurance business under the NHA to the extent that such loans are guaranteed by the Government of Canada.

This line only includes the guaranteed or backstop portion of the privately insured (Sagen [previously Genworth], Canada Guaranty, etc.) loans that is 90% guaranteed by the federal government under the Government Guarantee Agreement. The 10% non-guaranteed or deductible portion of these loans should be included in the uninsured line.

Note: Residential real estate property means real estate property that has one to four residential units.

Line 1200-110: Uninsured

Include uninsured residential mortgage loans and lines of credit fully secured by mortgages on residential real estate property, certificate of title loans, and interim construction mortgage financing on residential real estate property.

This line includes the 10% non-guaranteed or deductible portion of the privately insured loans that is not guaranteed by the federal government under the Government Guarantee Agreement.

Personal – Otherwise Secured

Line 1200-120: Loans

All other personal loans and lines of credit that are fully secured by deposits or otherwise secured. This would include personal loans secured under the Personal Property Security Act (PPSA), and the guaranteed portion of Canada Student Loans.

Line 1200-130: Leases

Personal leases made to individuals for non-commercial purposes.

Line 1200-140: Personal – Unsecured

Include all other unsecured personal loans and lines of credit, personal overdrafts, credit card account balances, and the portion of Canada Student Loans that is not guaranteed.

Note: Overdrafts are included in the Loans/Leases column. Credit card account balances are included in the Lines of Credit column.

Commercial – Real Estate Secured

Line 1200-200: Insured

Commercial mortgage loans and lines of credit fully secured by mortgages on multi-residential real estate property and have been insured under the National Housing Act (Canada) (NHA) to the extent that such loans are guaranteed by the Government of Canada.

Line 1200-210: Residential

Uninsured commercial mortgage loans and lines of credit on residential real estate property.

Note: A residential rental property of four or fewer rental units is considered a residential real estate property, and a residential rental property of more than four rental units is considered a multi-residential real estate property.

Line 1200-220: Progressive Draws/Interim Financing

All progressive draws/interim financing, including commercial real estate construction mortgages, not qualifying as residential mortgages.

Line 1200-230: Other Real Estate Secured

All other commercial loans and lines of credit secured by a mortgage on real estate. This line also includes the certificate of title loans and Business Improvement Loans (real estate secured) under the Canada Small Business Financing Act.

Commercial – Otherwise Secured

Line 1200-240: Loans

All other commercial loans and lines of credit that are fully secured by deposits or otherwise secured. This would include all commercial loans secured under the Personal Property Security Act (PPSA). This line also includes Business Improvement Loans (Otherwise Secured) under the Canada Small Business Financing Act.

Line 1200-250: Leases

Commercial leases made to individuals for commercial purposes and non-individuals (i.e., corporations, partnerships, joint ventures, etc.).

Line 1200-260: Commercial – Unsecured

Include all other unsecured commercial loans and lines of credit, commercial overdrafts, and credit card account balances.

Note: Overdrafts are included in the Loans/Leases column. Credit card account balances are included in the Lines of Credit column.

Memo Items to Section 1200 – Loans and Leases

Memo items provide additional details for the personal and commercial loans and leases that are reported in Section 1200 in Lines 1200-100 to 1200-260.

Securitizations

Personal and commercial securitizations originated by the credit union that do not meet IFRS de-recognition criteria. Report securitizations details on the following lines:

Line 1200-400: Personal – Insured
Line 1200-410: Personal – Uninsured
Line 1200-420: Personal – Leases
Line 1200-430: Commercial – Insured
Line 1200-440: Commercial – Uninsured
Line 1200-450: Commercial – Leases.

Line 1200-470: Credit Cards

Report the aggregate outstanding balance and credit card limit of personal and commercial credit cards.

Line 1200-480: Syndicated Loans

Report the aggregate outstanding balance of syndicated loans (on-balance sheet portion), whether originated by the credit union as lead lender or syndicated from other financial institutions.

Line 1200-490: Mortgage Broker Originated Loans

Report the aggregate outstanding balance of mortgages and other loans originated by mortgage brokers. This line must also include mortgage renewals if a mortgage broker is involved in the renewal process.

2.5.2 Section 1210 – Unfunded Loans and Leases

All approved but unfunded lines of credit, including credit cards, and loans and leases. Note: This section does not include unfunded loans to credit unions.

Include only the amounts which have not been put on books. The existing loans which are pending maturity or refinancing must not be included here. Also include the unfunded portion of re-advanceable loans if approval of new advance is not required.

Unfunded lines of credit, including credit cards, are the undrawn portion of authorized line of credit limits, as calculated in the following example (see text box).

Example: Unfunded Lines of Credit (LOC) Calculation

Authorized LOC limit	$10,000,000
Outstanding balance of LOC	7,560,100
Unfunded LOC	$2,439,900

The above calculation would be prepared for each line of credit and aggregated into the respective unfunded personal and commercial lines in this section.

Report unfunded lines of credit (including credit cards) and unfunded loans and leases in separate columns.

Report unfunded loans and leases details on the following lines:

Line 1210-100: Personal – Real Estate Secured
Line 1210-110: Personal – Otherwise Secured
Line 1210-120: Personal – Unsecured

Line 1210-200: Commercial – Real Estate Secured: Progressive Draws/Interim Financing
Line 1210-210: Commercial – Real Estate Secured: All Other Real Estate Secured
Line 1210-220: Commercial – Otherwise Secured
Line 1210-230: Commercial – Unsecured.

2.5.3 Section 1220 – Loans and Leases in Arrears

Delinquency of all loans and leases, both principal and accrued interest, are to be broken out into personal and commercial categories. The total amount outstanding, not just the delinquent payments, should be reported on these lines. Also report the total outstanding balance of delinquent lines of credit, including credit cards, in this section. Note: This section does not include loans to credit unions and reverse repurchase agreements.

Include delinquent loans and leases details in the following lines:

Lines 1220-100 to 1220-160: Personal – Real Estate Secured, Otherwise Secured, or Unsecured loans and leases in delinquency categories *1-30 Days, 31-60 Days, 61-90 Days, 91-180 Days, 181-365 Days, Over 365 Days*, and subtotal for over 90 days delinquent personal loans and leases; and

Lines 1220-200 to 1220-260: Commercial – Real Estate Secured, Otherwise Secured, or Unsecured loans and leases in delinquency categories *1-30 Days, 31-60 Days, 61-90 Days, 91-180 Days, 181-365 Days, Over 365 Days*, and subtotal for over 90 days delinquent commercial loans and leases.

2.5.4 Section 1230 – Allowance for Credit Losses on Loans and Leases

Report specific and total allowance for credit losses on loans and leases in separate columns on the following lines:

Line 1230-100: Personal
Line 1230-110: Commercial
Line 1230-115: Other

Note: The ‘Other’ line includes only specific and total allowance for credit losses on loans to credit unions and reverse repurchase agreements.

2.5.5 Section 1240 – Credit Impaired Loans and Leases

Report loans and leases that have objective evidence of impairment at the reporting date, and the related specific allowance for lifetime expected credit losses.

Report the outstanding balance of credit impaired loans and leases and the specific allowance in separate columns on the following lines:

Line 1240-100: Personal
Line 1240-110: Commercial
Line 1240-115: Other

Note: The ‘Other’ line includes only the outstanding balance and the specific allowance of credit impaired loans to credit unions and reverse repurchase agreements.

2.5.6 Section 1250 – Allowance for Credit Losses on Loans and Leases (Stages) – Quarterly Section

IFRS requires an expected loss allowance to be estimated for debt type financial assets that are not measured at fair value through profit or loss. All allowance for expected credit losses (ECL) calculations must be based on a three-stage process which reflects the deterioration in credit quality of loans and leases:

Stage 1: 12-Month ECL

Covers loans and leases that have low risk or have not deteriorated significantly in credit quality since initial recognition;

Stage 2: Lifetime ECL - Not Impaired

Covers loans and leases that have deteriorated significantly in credit quality since initial recognition, but do not have objective evidence of a credit loss event; and

Stage 3: Lifetime ECL - Credit Impaired

Covers loans and leases that have objective evidence of impairment at the reporting date.

Reconciliation of changes in the allowance for credit losses accounts for both personal and commercial loans and leases are to be broken out into Stage 1, Stage 2, and Stage 3 based on the ECL model and reported as follows. Note: This section does not include loans to credit unions and reverse repurchase agreements.

Line 1250-100 and Line 1250-200: Beginning Balance (from previous year end)

Beginning balance of allowance for credit losses on loans and leases from previous year end.

Line 1250-110 and Line 1250-210: Year-to-Date: Provision for Credit Losses

Year-to-date provision for credit losses on loans and leases. The provision for credit losses must be separated into Stage 1, Stage 2, and Stage 3 based on the ECL model from above.

Line 1250-120 and Line 1250-220: Year-to-Date: Loans and Leases Written Off

Year-to-date amount of loans and leases written off.

Line 1250-130 and Line 1250-230: Year-to-Date: Recoveries of Loans and Leases Written Off

Year-to-date amount of recoveries of loans and leases previously written off.

Line 1250-140 and Line 1250-240: Year-to-Date: Other Items

Year-to-date amount of other adjustments. This line includes transfers between different ECL stages, such as a move from 12-month expected credit losses to lifetime expected credit losses when there is a significant deterioration in credit quality since initial recognition.

Line 1250-150 and Line 1250-250: Ending Balance

Equals the beginning balance (from previous year end), plus year-to-date provision, minus write-offs, plus recoveries of previous write-offs and other items.

2.5.7 Section 1260 – Commercial Risk Rating – Quarterly Section

Report the aggregate number and the dollar amount of all funded loans and leases in the commercial portfolio broken out into the respective commercial borrower risk ratings as detailed in the table below. Note: This section does not include loans to credit unions.

The highest-risk borrowers should be categorized and reported as either Risk Rating 4 or 5. For reporting purposes, Risk Rating 4 is the most conservative rating that can be assigned to a high-risk borrower who is not in default.

Risk Rating Scale for Reporting to BCFSA

Line	Risk Rating	Characteristics
1260-100	Risk Rating 1 Excellent	The borrower’s exceptional capability to meet obligations is supported by a history of large and stable financial buffers, an experienced and stable management team managing through business cycles, insulation from economic conditions, and position as a market price setter.

Line	Risk Rating	Characteristics
1260-110	Risk Rating 2 Very Good	The borrower's strong capacity to meet obligations is supported by large financial buffers, a management team qualified to manage through business cycles, low sensitivity to economic conditions, and demonstrated ability to influence price.
1260-120	Risk Rating 3 Satisfactory	The borrower's acceptable capacity to meet obligations is supported by a minimum financial buffer, a management team that is new and/or has limitations in managing through business cycles, vulnerability to market conditions, and a limited ability to influence price.
1260-130	Risk Rating 4 Less Than Satisfactory	The borrower's capacity to meet obligations is in doubt, as illustrated by a lack of financial buffers or operating in deficit, new and unstable/high turnover and a management team lacking knowledge in managing through business cycles, and market conditions that are in decline. Borrowers on the watch list are expected to be categorized and reported as a Risk Rating 4.
1260-131	Risk Rating 4 Past Due for Review	Borrowers that are past due for review (seven months after the borrower's fiscal year-end and/or 90 days past the annual review date) should be downgraded and reported as a Risk Rating 4.
1260-140	Risk Rating 5 Poor (Default)	The borrower demonstrates any <u>one</u> of the following characteristics: • loans are considered non-accrual and non-performing; • loans are over 90 days in arrears; or • financial positions of the borrower are unacceptable.

2.6 DERIVATIVE FINANCIAL INSTRUMENTS

2.6.1 Section 1500 – Derivatives – Quarterly Section

Report the notional amounts separated into the respective maturity categories (maturing within one year, one to five years, and over five years), and the positive or negative fair values resulting in a net receivable/ payable without taking into account netting, including accrued interest. Then, adjust for netting, as permitted under IFRS.

Report derivative contract details on the following lines:

1500-100: Interest Rate Contracts

Include interest rate swaps, forward rate agreements, purchased options, and similar derivative contracts.

1500-110: Foreign Exchange Rate Contracts

Include agreements for the purchase or sale of a fixed amount of a foreign currency at a fixed-exchange rate on a specified date, or an option to purchase or sell.

1500-120: Equity Contracts

Include futures, forwards, swaps, purchased options, and similar contracts based on both individual equities as well as on equity indices.

1500-130: All Other Contracts

Include all other derivative contracts that are not reported on other lines in this section.

1500-150: Adjustment for Master Netting Agreements

Impact of enforceable master netting agreements to allow offsetting of derivative contracts, as permitted by IFRS.

Note: Credit unions should apply netting of derivative assets and liabilities in this section if the same netting is applied on the credit union's balance sheet.

2.7 BORROWINGS

2.7.1 Section 2100 – Borrowings

Borrowings from Central 1 Credit Union

Line 2100-100: Central 1 Operating Account (Overdraft)

Report a negative or credit balance (overdraft) of Central 1 operating account.

Note: A positive or debit balance is reported on the Central 1 Operating Account line in Section 1100 – Cash and Deposits.

Line 2100-110: Central 1 Borrowings

All term borrowings and the outstanding balance of lines of credit from Central 1, excluding Central 1 operating account (overdraft).

Other Borrowings

Line 2100-200: Securitizations: NHA-MBS/CMB

NHA-MBS and CMB securitization transactions that have been determined to be financing under IFRS.

Line 2100-210: Securitizations: Other Securitizations

Securitizations, other than the NHA-MBS/CMB programs, which have been determined to be financing under IFRS.

Line 2100-215: Obligations Under Repurchase Agreements

A repurchase agreement refers to an agreement that involves the sale of a security or other asset with the simultaneous commitment by the credit union to repurchase the asset from the original buyer on a future date at a specified price.

Line 2100-220: All Other Borrowings

Include chartered bank loans, mortgages payable, government loans, and other loans payable that are not reported on other lines in this section. This line does not include Central 1 borrowings or securitizations.

2.7.2 Section 2110 – Borrowing Facilities

Report all credit facilities established with Central 1 and any other financial institutions. Credit facility includes basic credit facility, capital markets facility, and any other credit facility established with other regulated financial institutions.

Line 2110-100: Central 1 Credit Union

Borrowing Limit is all approved borrowing facilities with Central 1.

Maximum Utilized is the highest balance of the borrowing utilized within the month related to borrowing facilities with Central 1.

Average Balance is the monthly average balance of the borrowing utilized related to borrowing facilities with Central 1.

Line 2110-110: Other Financial Institutions

Number of Facilities is the number of borrowing facilities with financial institutions other than Central 1.

Borrowing Limit is the sum of all approved borrowing facilities with financial institutions, other than Central 1.

Maximum Utilized is the aggregate highest balance of the borrowing utilized within the month related to borrowing facilities with financial institutions, other than Central 1.

Average Balance is the aggregate monthly average balance of the borrowing utilized related to borrowing facilities with financial institutions, other than Central 1.

2.8 DEPOSITS

2.8.1 Section 2200 – Deposits

Demand Deposits

Report demand deposit accounts on the following lines. Foreign currency demand accounts must be included in the appropriate chequing or savings lines below (converted to Canadian dollar equivalent at the reporting date).

Line 2200-100: Chequing

Include demand chequing deposits. Lines of credit or overdrafts utilized, which are recorded as chequing accounts with debit balances, must be added back to this line and included in the appropriate loan classification lines in Section 1200 – Loans and Leases.

Line 2200-110: Regular Savings

Include demand saving deposits where there are no chequing privileges.

Line 2200-120: High Interest Savings

Include demand saving deposits where higher interest rates apply.

Line 2200-130: Registered Plans

Include all demand registered plans which receive a variable rate of interest, including Registered Retirement Savings Plans (RRSPs), Registered Retirement Income Funds (RRIFs), Registered Education Savings Plans (RESPs), Tax-Free Savings Accounts (TFSAs), and other registered plans.

Line 2200-140: Other Demand Deposits

Include all other demand accounts that are not reported on other lines in the Demand Deposits section.

Term Deposits

Report term deposit accounts on the following lines. Foreign currency term accounts must be included in the appropriate term deposits lines below (converted to Canadian dollar equivalent at the reporting date).

Line 2200-200: Redeemable

Include redeemable or cashable regular interest rate, premium interest rate, and special bid interest rate term deposits.

Line 2200-210: Non-Redeemable

Include regular interest rate, premium interest rate, and special bid interest rate term deposits that are not redeemable or cashable.

Line 2200-220: Registered Plans

Include term registered plans which receive a fixed rate of interest, including RRSPs, RRIFs, RESPs, TFSAs, and other registered plans.

Line 2200-230: Other Term Deposits

Include all other term deposits that are not reported on other lines in the Term Deposits section.

Memo Items to Section 2200 – Deposits

Memo items provide additional details for the demand and term deposits that are reported in Section 2200 in Lines 2200-100 to 2200-250.

Deposits in Foreign Currency

Line 2200-300: US Dollar

Aggregate outstanding balance of deposits held in US currency (converted to Canadian dollar equivalent at the reporting date).

Line 2200-310: Other Foreign Currency

Aggregate outstanding balance of deposits held in other (non-US) foreign currencies (converted to Canadian dollar equivalent at the reporting date).

2.8.2 Section 2210 – Deposits by Depositor Type

Depositor type describes the holder of the account (i.e., an individual, or a corporation) and not the type of the account or product as described in Section 2200. The following definitions for depositor type are consistent with BCFSA's liquidity reporting requirements.

Report deposit account details by depositor type on the following lines:

Line 2210-100: Retail Deposits

Deposits placed by natural persons (i.e., individuals), and exclude deposits placed by broker dealers.

Line 2210-110: Brokered Deposits

Retail, small business, and wholesale deposits sourced from unaffiliated third parties or acquired through deposit agents.

Wholesale Deposits

Deposits placed by non-natural persons (i.e., legal entities, trade unions and other associations, sole proprietorships, and partnerships), and exclude deposits placed by broker dealers. Deposits from legal entities, large non-financial corporations, financial institutions, government and public sector entities, and small businesses are captured in wholesale deposit categories.

Line 2210-120: Small Business

Deposits that are managed by the credit union as retail deposits, and the aggregate balance by a depositor is less than $1.5 million.

Line 2210-130: Government and Public Sector Entities

Deposits from governments (federal and provincial), municipalities, and other deposits from public sector entities (e.g., universities, schools, hospitals, etc.).

Line 2210-140: Financial Institutions

Deposits from financial institutions, including banks, securities firms, investment firms, insurance companies, etc.

Line 2210-150: Non-Financial Corporations

Include deposits from non-financial corporations that are not categorized as small business deposits, and all other deposits that are not reported on other wholesale deposits lines.

Foreign currency accounts must be included in the appropriate lines above (converted to Canadian dollar equivalent at the reporting date).

2.8.3 Section 2220 – Top 10 Depositors by Type – Quarterly Section

Similar to Section 2210, depositor type describes the holder of the account (i.e., an individual, or a corporation) and not the type of the account or product. In this section, the same depositor type descriptions apply as in Section 2210.

Report deposit account details by depositor type for the top ten largest depositors. A depositor with multiple accounts should be considered as one depositor. The top ten largest depositors are determined by aggregating all deposit account balances by each depositor and ranking from the largest to the tenth largest.

Report the aggregate demand and term account balances and the number of depositors by depositor type for the top ten largest depositors at the credit union separated into demand deposits, redeemable term deposits, and non-redeemable term deposits on the following lines:

Line 2220-100: Retail Deposits
Line 2220-110: Brokered Deposits
Line 2220-120: Wholesale Deposits

Foreign currency accounts must be included in the appropriate lines above (converted to Canadian dollar equivalent at the reporting date).

2.8.4 Section 2230 – Deposit Maturity by Depositor Type – Quarterly Section

Similar to Section 2210, depositor type describes the holder of the account (i.e., an individual, or a corporation) and not the type of the account or product. In this section, the same depositor type descriptions apply as in Section 2210.

Report deposit account details by depositor type separated into demand deposits, redeemable term deposits, and non-redeemable term deposits by the respective residual maturity categories (maturing within one month, one to three months, three to six months, six to 12 months, 12 to 18 months, 18 to 24 months, and over 24 months on the following lines:

Retail Deposits

Line 2230-100: Non-Registered Deposits

Include all demand and term retail deposits, except deposits in registered plans.

Line 2230-105: Registered Deposits

Include retail deposits in registered plans, including RRSPs, RRIFs, RESPs, TFSAs, and other registered plans.

Line 2230-110: Brokered Deposits

Wholesale Deposits

Line 2230-120: Small Business
Line 2230-130: Government and Public Sector Entities
Line 2230-140: Financial Institutions
Line 2230-150: Non-Financial Corporations

Foreign currency accounts must be included in the appropriate lines above (converted to Canadian dollar equivalent at the reporting date).

2.9 RETAINED EARNINGS AND AOCI

2.9.1 Section 2500 – Retained Earnings (Deficit)

Reconciliation of changes in consolidated retained earnings (deficit) reported as follows.

Line 2500-100: Beginning Balance (from previous year end)

Beginning balance of retained earnings (deficit) from previous year end.

Line 2500-110: Adjustments to Previous Year End

Subsequent changes to the audited retained earnings (deficit) from previous year end, including retrospective changes to accounting policies and restatements for prior period(s).

Line 2500-120: Year-to-Date: Net Income (Loss)

Include cumulative net income (loss) for the period ending the reporting date.

Line 2500-125: Year-to-Date: Less Dividends on Shares, Net of Tax

Include year-to-date declared dividends on shares treated as distributions of retained earnings, net of taxes.

Note: Year-to-date declared dividends on shares treated as expense are reported on the income statement.

Line 2500-130: Year-to-Date: Other Items, Net of Tax

Other year-to-date changes in retained earnings (deficit) not included in net income (loss), such as direct transfer from accumulated other comprehensive income (loss), etc.

Line 2500-150: Ending Balance

Equals the beginning balance (from previous year end), plus adjustments to previous year end, plus year-to-date net income (loss), plus other year-to-date items, net of taxes.

2.9.2 Section 2600 – Accumulated Other Comprehensive Income (Loss)

Reconciliation of changes in consolidated accumulated other comprehensive income (loss) reported as follows.

Line 2600-100: Beginning Balance (from previous year end)

Beginning balance of accumulated other comprehensive income (loss) from previous year end.

Line 2600-110: Adjustments to Previous Year End

Subsequent changes to the audited accumulated other comprehensive income (loss) from previous year end, including retrospective changes to accounting policies and restatements for prior period(s).

Line 2600-120: Year-to-Date: Other Comprehensive Income (Loss)

Include cumulative other comprehensive income (loss) for the period ending the reporting date.

Line 2600-130: Year-to-Date: Other Items, Net of Tax

Other year-to-date changes in accumulated other comprehensive income (loss) not included in other comprehensive income (loss), such as direct transfer to retained earnings (deficit), etc.

Line 2600-150: Ending Balance

Equals the beginning balance (from previous year end), plus adjustments to previous year end, plus year-to-date other comprehensive income (loss), plus other year-to-date items, net of taxes.

2.10 INTEREST INCOME AND INTEREST EXPENSE

2.10.1 Section 3100 – Interest Income

Interest Income and Dividends from Deposits and Investments

Include interest income from deposits reported in Section 1100 and interest and dividend income from investments reported in Section 1110, and categorized in the following lines:

Line 3100-100: Central 1 Deposits
Line 3100-110: Other Deposits
Line 3100-120: Guaranteed Security Instruments
Line 3100-130: Debt Security Instruments
Line 3100-140: Securities Secured by Mortgages
Line 3100-150: Equity Instruments
Line 3100-160: All Other Investments.

Note: Fair value adjustments for instruments measured at FVTPL should be reported on the Fair Value Gains (Losses) on FVTPL Financial Instruments line on the comprehensive income statement in Section 3000.

Interest Income from Loans and Leases

Include interest income from personal and commercial loans and leases, and lines of credit (LOC), including credit cards, reported in Section 1200, and other interest income, including from loans to credit unions and reverse repurchase agreements, categorized in the following lines:

Personal:

Line 3100-200: Real Estate Secured (excluding LOC)
Line 3100-210: Otherwise Secured (excluding LOC and Leases)

Line 3100-220: Leases
Line 3100-230: Unsecured (excluding LOC)
Line 3100-240: Lines of Credit

Commercial:

Line 3100-250: Real Estate Secured (excluding LOC)
Line 3100-260: Otherwise Secured (excluding LOC and Leases)
Line 3100-270: Leases
Line 3100-280: Unsecured (excluding LOC)
Line 3100-290: Lines of Credit.

Other:

Line 3100-291: Loans to Credit Unions

This line only applies to Central 1. Include interest income from loans to credit unions.

Line 3100-295: Reverse Repurchase Agreements

Line 3100-300: Interest Rate/Foreign Exchange Contracts

Interest income received or receivable less interest expense paid or payable from interest rate swaps, forward rate agreements, futures, options, and other derivatives, and fees received or paid are reported in this line.

2.10.2 Section 3110 – Interest Expense

Interest Expense on Borrowings

Include interest expense on borrowings reported in Section 2100, and categorized in the following lines:

Line 3110-100: Central 1 Operating Account (Overdraft)
Line 3110-110: Central 1 Borrowings
Line 3110-120: Other Borrowings: Securitizations
Line 3110-125: Obligations Under Repurchase Agreements
Line 3110-130: All Other Borrowings.

Interest Expense on Deposits

Include interest expense on deposits reported in Section 2200, and categorized in the following lines:

Demand Deposits:

Line 3110-200: Chequing
Line 3110-210: Regular Savings
Line 3110-220: High Interest Savings
Line 3110-230: Registered Plans
Line 3110-240: Other Demand Deposits

Term Deposits:

Line 3110-250: Redeemable
Line 3110-260: Non-Redeemable
Line 3110-270: Registered Plans
Line 3110-280: Other Term Deposits.

Note: Term Deposits - Non-Redeemable line includes interest expense on index-linked term deposits.

Line 3110-300: Non-Equity Share Dividends

Dividend expense on non-equity shares reported on the balance sheet in Section 2000.

Line 3110-310: Interest Expense on Lease Liabilities

Interest expense on lease liabilities related to right-of-use assets reported on the balance sheet in Section 2000.

Line 3110-315: Interest Expense on Debt Securities Issued

Interest expense on debt securities issued by the credit union, reported on the balance sheet in Section 2000. This line does not include interest expense on subordinated debt.

Line 3110-320: Interest Expense on Subordinated Debt

Interest expense on subordinated debt reported on the balance sheet in Section 2000.

2.11 AOCI AND OCI

2.11.1 Section 2610 – Accumulated Other Comprehensive Income (Loss) – Quarterly Section

Accumulated gains and losses presented in other comprehensive income and reported in Section 2600, are categorized in accordance with IFRS and reported as follows.

Note: Include in the appropriate lines below the credit union's proportional share of associates and joint ventures' accumulated other comprehensive income (loss) (AOCI) and also report these in the Memo Items to this section.

Items that may be reclassified subsequently to net income (loss):

Line 2610-100: Fair Value Reserve (Debt Instruments)

Accumulated fair value gains and losses on debt instruments measured at fair value through other comprehensive income (FVTOCI).

Line 2610-110: Cash Flow Hedge Reserve

Effective portion of fair value gains and losses on hedging instruments used in cash flow hedges.

Line 2610-120: Other Gains and Losses (Reclass)

Other gains and losses that may be reclassified subsequently to net income (loss).

Line 2610-130: Income Taxes (Reclass)

Income taxes related to items that may be reclassified subsequently to net income (loss).

Items that will not be reclassified to net income (loss):

Line 2610-140: Fair Value Reserve (Equity Instruments)

Accumulated fair value gains and losses on equity instruments measured at FVTOCI.

Line 2610-150: Remeasurements of Defined Benefit Plans

Remeasurements of net defined benefit liability (asset), including accumulated actuarial gains and losses.

Line 2610-160: Revaluation Surplus (Own Use Property)

Accumulated revaluation surplus on any property designated as an own use property under IFRS, whether or not any other less significant portions of the property are used for non-credit union use, measured at fair value using the revaluation model.

Line 2610-170: Revaluation Surplus (Other)

Accumulated revaluation surplus related to premises and equipment and intangible assets, other than own use property, measured at fair value using the revaluation model.

Line 2610-180: Other Gains and Losses (No Reclass)

Other gains and losses that will not be reclassified subsequently to net income (loss).

Line 2610-190: Income Taxes (No Reclass)

Income taxes related to items that will not be reclassified subsequently to net income (loss).

Memo Items to Section 2610 – Accumulated Other Comprehensive Income (Loss)

Memo items provide additional details for the equity investments' AOCI (equity method of accounting under IFRS) that is reported in Section 2610.

Line 2610-300: Share of AOCI from Equity Investments in Associates and Joint Ventures, Net of Tax

Report the credit union's proportional share of associates and joint ventures' accumulated other comprehensive income (loss), net of taxes.

2.11.2 Section 3610 – Other Comprehensive Income (Loss) – Quarterly Section

Gains and losses presented in other comprehensive income and reported in Section 2600, are categorized in accordance with IFRS and reported as follows.

Note: Include in the appropriate lines below the credit union's proportional share of associates and joint ventures' other comprehensive income (loss) (OCI) and also report these in the Memo Items to this section.

Items that may be reclassified subsequently to net income (loss):

Line 3610-100: Fair Value Reserve (Debt Instruments)

Fair value gains and losses on debt instruments measured at FVTOCI.

Line 3610-110: Cash Flow Hedge Reserve

Effective portion of fair value gains and losses on hedging instruments used in cash flow hedges.

Line 3610-120: Other Gains and Losses (Reclass)

Other gains and losses that may be reclassified subsequently to net income (loss).

Line 3610-130: Income Taxes (Reclass)

Income taxes related to items that may be reclassified subsequently to net income (loss).

Items that will not be reclassified to net income (loss):

Line 3610-140: Fair Value Reserve (Equity Instruments)

Fair value gains and losses on equity instruments measured at FVTOCI.

Line 3610-150: Remeasurements of Defined Benefit Plans

Remeasurements of net defined benefit liability (asset), including actuarial gains and losses.

Line 3610-160: Revaluation Surplus (Own Use Property)

Changes in revaluation surplus related to own use property, measured at fair value using the revaluation model.

Line 3610-170: Revaluation Surplus (Other)

Changes in revaluation surplus related to premises and equipment and intangible assets, other than own use property, measured at fair value using the revaluation model.

Line 3610-180: Other Gains and Losses (No Reclass)

Other gains and losses that will not be reclassified subsequently to net income (loss).

Line 3610-190: Income Taxes (No Reclass)

Income taxes related to items that will not be reclassified subsequently to net income (loss).

Memo Items to Section 3610 – Other Comprehensive Income (Loss)

Memo items provide additional details for the equity investments' OCI (equity method of accounting under IFRS) that is reported in Section 3610.

Line 3610-300: Share of OCI from Equity Investments in Associates and Joint Ventures, Net of Tax

Report the credit union's proportional share of associates and joint ventures' other comprehensive income (loss), net of taxes.

2.12 OTHER

2.12.1 Section 4000 – Off-Balance Sheet Assets Under Administration

Off-balance sheet assets under administration are assets that are managed and administered on behalf of clients. These client assets are not recorded on the balance sheet.

Line 4000-100: Loans and Leases

Aggregate outstanding balances of loans and leases that are treated as a "sale" under IFRS and removed from the balance sheet but still serviced by the credit union. This line does not include loan and lease securitizations that are treated as financing under IFRS and remain on the balance sheet.

Line 4000-110: Syndicated Loans

Include the aggregate outstanding balance of syndicated loans administered by the credit union as lead lender and syndicated to other financial institutions (off-balance sheet portion).

Note: The on-balance sheet portion of these loans retained by the credit union are reported on the Syndicated Loans line in the Memo Items to Section 1200 – Loans and Leases.

Line 4000-120: Mutual and Segregated Funds

Report asset balances of third-party mutual funds that are managed and administered for clients.

Line 4000-130: Trusts and Estates

Aggregate value of trust assets that are managed and administered as a trustee, executor, or administrator for clients, including estate settlements and family estates.

Line 4000-140: Other Off-Balance Sheet Assets

Other assets under administration that are not reported on other lines in this section.

2.12.2 Section 4100 – Interest Rate Risk / On-Balance Sheet Repricing – Quarterly Section

On-balance sheet repricing data is extracted from a monthly full balance sheet matching report. Please note repricing is not maturity. This section does not include off-balance sheet hedging.

Report on-balance sheet repricing details (assets, liabilities and equity, and the weighted average yield and cost) on the following lines:

Line 4100-100: Non-Interest Rate Sensitive

Total of non-interest rate sensitive assets, liabilities and equity.

Line 4100-110: Variable Rate

Total of all assets and liabilities with interest rates that adjust with market interest rates.

Fixed Rate

Total of all assets and liabilities with interest rates repricing within period specified as follows:

Line 4100-120: 0 - 3 Months
Line 4100-130: 4 - 6 Months
Line 4100-140: 7 - 12 Months
Line 4100-150: 1 - 2 Years
Line 4100-160: 2 - 3 Years
Line 4100-170: 3 - 4 Years
Line 4100-180: Over 4 Years.

2.12.3 Section 4400 – Other Statistics

Line 4400-100: Staff – Full Time Equivalent (#)

All full time and part time staff.

The total staff complement must be reported on this line as a full time equivalent rounded to one decimal place. This calculation is illustrated by the following example (see text box).

Example: Staff – Full Time Equivalent Calculation

This example assumes full time staff work 150 hours per month.

Full time staff	10.0
Part time staff	1.7
Staff – Full time equivalent	11.7

Part time staff calculated as follows:

	Hours worked
Employee A	48
Employee B	120
Employee C	84
Total	252

Total hours worked divided by full time hours (150 hours) equals 1.68.

Line 4400-110: Membership (#)

The number of members, including active and inactive, of the credit union as at the reporting date.

Line 4400-120: Service Location (#)

The number of locations of the credit union as at the reporting date. The number of locations is based on the number of branches with different addresses. Where there is an administrative office and a branch at the same address, the number of locations counts as one. A standalone administrative office, ATM, or call centre does not count as a location.

Line 4400-140: Internal Capital Target - Tier 1 Capital (%)

Report the internal capital target for Tier 1 capital set by the credit union.

Line 4400-150: Internal Capital Target - Total Capital (%)

Report the internal capital target for total capital set by the credit union.

2.13 NON-CONSOLIDATED DEPOSITS

2.13.1 Section 9000 – Deposits at the Credit Union – Quarterly Section (*Non-consolidated*)

Report only the deposits included in the credit union's non-consolidated books and do not include deposits placed at the credit union's consolidated subsidiaries. Also, do not include deposits from the credit union's consolidated subsidiaries placed at the credit union (and eliminated at consolidation) and deposits from the credit union's associates and joint ventures placed at the credit union.

Note: This section does not apply to Central 1.

In this section, the same deposit account or product descriptions apply as in Section 2200 but on a non-consolidated basis. Foreign currency accounts must be included in the appropriate lines below (converted to Canadian dollar equivalent at the reporting date).

Report non-consolidated deposit account details on the following lines:

Demand Deposits

Line 9000-100: Chequing

Include demand chequing deposits. Lines of credit or unauthorized and authorized overdrafts utilized, which are recorded on the credit union's non-consolidated books as chequing accounts with debit balances, must be added back to this line.

Note: These unauthorized and authorized overdrafts are not included in this line but reported in the Memo Items section below in Line 9000-400.

Line 9000-110: Regular Savings
Line 9000-120: High Interest Savings
Line 9000-130: Registered Plans
Line 9000-140: Other Demand Deposits

Term Deposits

Line 9000-200: Redeemable
Line 9000-210: Non-Redeemable
Line 9000-220: Registered Plans
Line 9000-230: Other Term Deposits

Memo Items to Section 9000 – Deposits at the Credit Union

Memo items provide additional details for the demand and term deposits that are reported in Section 9000 in Lines 9000-110 to 9000-250.

Line 9000-300: Non-Redeemable Agent Deposits ≥ 12 Months Maturity

Report the aggregate outstanding balance of non-redeemable term deposits with remaining maturity of 12 months or greater that were acquired through deposit agents.

Memo Items to Section 9000 – Overdrafts

Memo items provide additional details for unauthorized and authorized overdrafts that are not included in (or added back to) demand deposits.

Line 9000-400: Unauthorized and Authorized Overdrafts

Report the aggregate outstanding balance of unauthorized and authorized overdrafts of deposit accounts that are recorded on the credit union's books as chequing accounts with debit balances.

2.13.2 Section 9010 – Deposits at the Credit Union by Depositor Type – Quarterly Section (*Non-consolidated*)

Report only the deposits included in the credit union's non-consolidated books and do not include deposits placed at the credit union's consolidated subsidiaries. Also, do not include deposits from the credit union's consolidated subsidiaries placed at the credit union (and eliminated at consolidation) and deposits from the credit union's associates and joint ventures placed at the credit union.

Note: This section does not apply to Central 1.

Similar to Section 2210, depositor type describes the holder of the account (i.e., an individual, or a corporation) and not the type of the account or product. In this section, the same depositor type descriptions apply as in Section 2210 but on a non-consolidated basis.

Report deposit account details by depositor type on the following lines:

Line 9010-100: Retail Deposits

Line 9010-110: Brokered Deposits

Wholesale Deposits

Line 9010-120: Small Business

Line 9010-130: Government and Public Sector Entities

Line 9010-140: Financial Institutions

Line 9010-150: Non-Financial Corporations

Foreign currency accounts must be included in the appropriate lines above (converted to Canadian dollar equivalent at the reporting date).

2.13.3 Section 9100 – CUDIC Insured Deposits – Quarterly Section (*Non-consolidated*)

This section includes deposits with deposit insurance guarantee under section 266 of the Financial Institutions Act (FIA). Report all demand and term deposits placed at the credit union but do not include deposits placed at the credit union's consolidated subsidiaries.

Note: This section does not apply to Central 1.

Deposits made by or on behalf of a savings institution or a subsidiary of a savings institution and deposits in which a savings institution or a subsidiary of a savings institution has a beneficial interest are not guaranteed under the FIA.

A savings institution is defined in the Interpretation Act as:

a) a bank;
b) a credit union;
c) an extraprovincial trust corporation authorized to carry on deposit business under the FIA; or
d) a corporation that is a subsidiary of a bank and is a loan company to which the Trust and Loan Companies Act (Canada) applies.

Deposit insurance guarantee includes dormant deposits, non-equity shares issued before January 1, 2020, and accrued interest/dividends on guaranteed deposits/shares of the credit union.

Report CUDIC insured deposit details on the following lines:

Line 9100-100: Demand Deposits

Total Demand Deposits from Section 9000. Include chequing, savings, and other demand deposits placed at the credit union.

Line 9100-110: Term Deposits

Total Term Deposits from Section 9000. Include redeemable, non-redeemable, and other term deposits placed at the credit union.

Line 9100-120: Less Savings Institution Deposits

Savings institution deposits that are made by or on behalf of a savings institution or a subsidiary of a savings institution are deducted. These deposits are not guaranteed under the FIA.

Line 9100-130: Less Savings Institution Brokered Deposits

Savings institution brokered deposits in which a savings institution or a subsidiary of a savings institution has a beneficial interest are deducted. These deposits are not guaranteed under the FIA.

Note: Savings institution brokered deposits in which a savings institution or a subsidiary of a savings institution has no beneficial interest are guaranteed deposits and should not be included in this line.

Line 9100-140: Dormant Deposits

Report dormant and inactive deposits, excluding deposits that are not guaranteed under the FIA (i.e., dormant savings institution deposits and dormant savings institution brokered deposits). This line also includes dormant non-equity shares that were issued by the credit union before January 1, 2020.

Note: Report only those deposits that have been dormant and inactive for less than ten years.

Line 9100-150: Non-Equity Shares Issued before January 1, 2020

Report active non-equity shares that were issued by the credit union before January 1, 2020.

Note: Non-equity shares issued by the credit on or after January 1, 2020, are not guaranteed under the FIA and should not be included in this line. Dormant non-equity shares are included in the Dormant Deposits line in this section.

Line 9100-160: Accrued Interest/Dividends on These Deposits/Shares

Include accrued interest on deposits and declared but unpaid cash dividends on non-equity shares reported on the above lines in this section.

Note: This line does not include accrued dividends on non-equity shares payable as a credit to a non-equity share or other deposit account or payable as equity shares.

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