

Financial & Statistical Return Completion Guide

January 2018

BC Credit Unions



Financial
Institutions
Commission

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1. INTRODUCTION

The Financial Institutions Commission (FICOM), Central 1 Credit Union, and Stabilization Central Credit Union (SCCU) have developed a common data base, designed to meet the information needs of the three organizations and to enable the provision of relevant financial performance information to credit unions. As part of this ongoing project and in order to meet the needs of British Columbia's regulatory requirements under the *Financial Institutions Act*, the following Financial & Statistical Returns (FSRs) were developed for British Columbia Credit Unions:

1. *Monthly* Financial & Statistical Return (includes quarterly pages 1 & 2)
2. *Annual* Financial & Statistical Return (includes quarterly pages 1 & 2)

These FSRs were developed to satisfy the following key objectives:

- facilitate effective monitoring of statutory compliance and risk;
- permit the calculation of a credit union's Capital Adequacy and Liquidity positions;
- facilitate the sharing of FSR data and information between FICOM, Central 1 Credit Union, SCCU, and credit unions;
- facilitate improved feedback to credit unions regarding their financial position and performance;
- provide a sound framework to allow continued development and delivery of effective monitoring and comparative performance measurement applications, including the Comparative Analysis Report (CAR), to FICOM, Central 1 Credit Union, SCCU, and credit unions; and
- facilitate the electronic capture and transfer of credit union financial data and information for the benefit of credit unions and our three organizations in terms of efficiency and data integrity.

This guide has been updated based on the significant changes made to the Monthly, and Annual FSRs. In addition, account classification reminders have been added where appropriate to assist with the proper completion of the FSRs.

The purpose of this guide is to assist credit unions in the completion of the FSRs. While the user of this guide is expected to have a sufficient working knowledge of accounting practices, international financial reporting standards (IFRS), capital adequacy and credit union services, the guide makes reference to other sources of information or provides examples where completion of specific parts of the FSRs are considered to be difficult or require a higher level of expertise.

The guide specifies the required reporting frequency of the FSRs and a line by line description of each classification in the same numeric sequence as on the FSRs. Copies of the prescribed FSRs are also provided at the back of this guide.

1.1. COMPLETION OF FSRs

The FSRs must be based on the non-consolidated financial statements of the credit union prepared in accordance with IFRS, reflecting book values at the date of the FSRs unless otherwise specified.

All FSR data is to be entered by authorized credit union staff using the data entry program on FICOM's secure Credit Union Industry Website.

All dollar figures must be reported in Canadian dollars (i.e., US dollar and Other Foreign currency accounts must be converted to the Canadian dollar equivalent at the date of the FSR).

At the beginning of the new fiscal year, all Statement of Comprehensive Income items from the prior fiscal year must be closed out.

1.2. SUBMISSION OF FSRs

The completed FSRs must be submitted electronically by authorized credit union staff on FICOM's secure Credit Union Industry Website.

DUE:

Monthly:* Within **20** days after month end.

Quarterly Pages: Within **20** days after appropriate quarter end
(March, June, September, December)

Annual:* Within **90** days after fiscal year end.

Notes:

a) Two FSRs are to be submitted for your credit union's year end:

- *Monthly* Financial & Statistical (unaudited year end)
- *Annual* Financial & Statistical (unaudited year end). This FSR is the same as the *Monthly* Financial & Statistical Return except the figures and information reported are based on the year end non-consolidated financial statements. Please note that this FSR does not have to be approved or signed by your Auditor.

b) Effective June 2018, *Monthly* and *Quarterly* returns are combined into one upload file. Please complete *Quarterly Pages* only at quarter end and year end, these pages should be left blank during non-quarter end months.

LATE:

Please ensure that FICOM is notified as soon as possible of any expected delays in FSR submission.

Please note that any credit union filing the FSRs late may be subject to a penalty. To learn more about the Non-Compliant Filings Administrative Penalty (NFAP) Guideline, go to the [FICOM website](#).

QUESTIONS:

Contact FICOM

Email: Filings@ficombc.ca

Telephone: 604 660-3555

Facsimile: 604 660-3365

2. MONTHLY FINANCIAL & STATISTICAL RETURN

2.1. NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION (PAGE 1 OF FSR)

2.1.1. CASH AND LIQUIDITY INVESTMENTS

1010 Cash

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

1020 Central 1 Credit Union: Operating Account

Central 1 Credit Union Operating Account net of manager's chequing account(s) and other related clearing account(s) administered in the member chequing sub-ledger, or other general ledger accounts, where net result is a deposit balance (debit).

Reminder: *When in a negative or credit balance, classify on Line 2010, BORROWINGS: Central 1 Credit Union: Operating Account.*

1030 Central 1 Credit Union: Deposits

All Central 1 Credit Union deposits except Central 1 Credit Union: Operating Account (Line 1020).

Reminder: *Central 1 Credit Union Equity Shares must be reported on Line 1110, OTHER INVESTMENTS: Equity Shares – Credit Union Centrals.*

1035 Central 1 Credit Union: Deposits [100 Days or Less]

Central 1 Credit Union deposits, included on Line 1030, which are repayable on 100 days notice or less or have a term to maturity of 100 days or less.

1040 Guaranteed Security Instruments

The **principal** amount of any federal, provincial and municipal securities, including Treasury Bills and marketable bonds held by the credit union, debt securities of crown corporations and other government entities that are guaranteed unconditionally as to principal and interest. Also, the guaranteed portion (10%) of GrowthStart Fund is to be reported here.

Reminder: *Municipal securities do not include credit union loans to municipalities. Loans to municipalities must be reported on Line 1270, LOANS AND LEASES: Commercial – Unsecured: Governments & Municipalities.*

Securitized assets originated by your credit union that have been determined to be a “financing” under IFRS, but do not meet IFRS de-recognition criteria and for which proceeds have been received from investors or being held pending purchase by investors are to be reported on the appropriate Lines 1284 to 1289, LOANS AND LEASES: Securitizations: Personal or Commercial Insured or Non-Insured.

Non-securitized assets originated by your credit union that have been determined to be a “financing” under IFRS but do not meet IFRS de-recognition criteria and for which proceeds have been received from investors or being held pending purchase by investors are to be reported on the appropriate Lines 1150 to 1280, LOANS AND LEASES.

1050 Deposits with Deposit Taking Institutions

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. Do not include deposits in Central 1 Credit Union here (see Lines 1020, 1030 and 1110).

1055 Deposits with Deposit Taking Institutions [100 Days or Less]

Deposits with Deposit Taking Institutions, included on Line 1050, which are repayable on 100 days notice or less or have a term to maturity of 100 days or less.

1060 Debt Security Instruments

Any debt security instruments, other than subordinated debt security instruments, issued or guaranteed by a bank, a financial institution, or an extraprovincial corporation e.g. Bankers' Acceptances, guaranteed commercial paper and loans to banks, financial institutions or extraprovincial corporations.

1065 Debt Security Instruments [1 Year or Less]

Debt Security Instruments, included on Line 1060, which have a term to maturity of 1 year or less.

1070 Non-Guaranteed Commercial Paper: AAA to AA (low) or R1 (high)

Any non-guaranteed corporate commercial paper rated AAA to AA (low) or R1 (high) by the Dominion Bond Rating Service or a comparable rating by another major rating agency.

1071 Non-Guaranteed Commercial Paper: A (high) to A (low) or R1 (middle)

Any non-guaranteed corporate commercial paper rated A (high) to A (low) or R1 (middle) by the Dominion Bond Rating Service or a comparable rating by another major rating agency.

1072 Non-Guaranteed Commercial Paper: BBB (high) to BB (low) or R1 (low) to R2 (low)

Any non-guaranteed corporate commercial paper rated BBB (high) to BB (low) or R1 (low) to R2 (low) by the Dominion Bond Rating Service or a comparable rating by another major rating agency. This line also includes unrated corporate commercial paper.

1073 Non-Guaranteed Commercial Paper: Below BB (low) or Below R2 (low)

Any non-guaranteed corporate commercial paper rated Below BB (low) or Below R2 (low) or below by the Dominion Bond Rating Service or a comparable rating by another major rating agency.

1078 Securities Secured by Mortgages: Guaranteed by CMHC

Investment in securities that are secured by mortgages and guaranteed by the Canada Mortgage and Housing Corporation (CMHC), including the *National Housing Act* Mortgage-Backed Securities (NHA-MBS) and Canada Mortgage Bonds (CMB).

Reminder: *Securitized mortgages originated by your credit union, that do not qualify for derecognition under IFRS, must be reported on the appropriate Lines 1284 - 1289, LOANS AND LEASES: Securitizations: Personal or Commercial Insured or Non-Insured.*

1079 Securities Secured by Mortgages: Other

Investment in securities that are secured by mortgages and not guaranteed by the CMHC.

Reminder: *Securitized mortgages originated by your credit union, that do not qualify for derecognition under IFRS, must be reported on the appropriate Lines 1284 - 1289, LOANS AND LEASES: Securitizations: Personal or Commercial Insured or Non-Insured.*

1080 Other

Include the non-guaranteed portion (90%) of GrowthStart Fund (i.e. Communities First Investment Fund) investment, and liquidity investments not included on Lines 1020 to 1079.

Reminder: *Guaranteed portion (10%) of GrowthStart Fund is to be reported on Line 1040, Guaranteed Security Instruments.*

1090 Accrued Interest on Above Items

Accrued interest on liquidity investments included on Lines 1020, 1030, 1040, 1050, 1060, 1070, 1071, 1072, 1073, 1078, 1079, and 1080.

Reminder: *Accruals for derivative contracts (i.e., swaps) are not to be included here. Accruals for derivative contracts must be netted and, if a net asset, include on Line 1407, OTHER ASSETS: Derivative Financial Instruments. A net liability must be included on Line 2186, OTHER LIABILITIES: Derivative Financial Instruments.*

1097 Allowance for Impairment

Allowance for expected credit losses on liquidity investments (Lines 1040, 1050, 1060, 1070, 1071, 1072, 1073, 1078, 1079, and 1080). Any loss provision on Property Acquired in Settlement of Loans and Leases or Property Held for Investments are to be netted on Lines 1350 and 1360, respectively.

1100 CASH AND LIQUIDITY INVESTMENTS

The sum of Lines 1010, 1020, 1030, 1040, 1050, 1060, 1070, 1071, 1072, 1073, 1078, 1079, 1080, 1090, and 1097.

2.1.2. OTHER INVESTMENTS

1110 Equity Shares – Credit Union Centrals

The principal investment in Equity Shares of Central 1 Credit Union and SCCU.

1120 CUDIC Debentures

The principal investment in Credit Union Deposit Insurance Corporation of B.C. (CUDIC) debentures.

1130 Accrued Interest & Dividends on Other Investments

Accrued interest & dividends on Equity Shares – Credit Union Centrals (Line 1110) and CUDIC Debentures (Line 1120).

Reminder: *The value of this line must include accruals for CUDIC Debenture interest and Central 1 Credit Union Equity Share Dividends. If interest or dividends are prepaid by either Central 1 Credit Union or CUDIC, the prepaid amount must be treated as deferred income and included on Line 2188, OTHER LIABILITIES: Other. Income must be reported on Line 3020, INTEREST INCOME: Other Investments.*

1140 OTHER INVESTMENTS

The sum of Lines 1110 to 1130.

2.1.3. LOANS AND LEASES

The definition and classification of loans is developed to be consistent with the Capital Requirements Regulation of the *Financial Institutions Act* and standard loan classification of the model Investment and Lending Policy.

DEFINITIONS:

"Commercial Loan" means:

- a) a loan to an individual:
 - (i) to finance commercial activity or a commercial investment, or
 - (ii) dependent on commercial sources for its repayment, other than a loan for the purchase of securities or for the operation of a small business so long as the debt can be serviced from independent employment income,
- b) a loan to an entity, partnership or joint venture for any purpose, or
- c) accounts receivable acquired in the course of factoring,

but does not include:

- d) a residential mortgage,
- e) a farm mortgage,
- f) a loan that under Capital Requirements Regulation 5 (1) must be deducted from the capital base of the lender if the lender is a credit union,

or

- g) loans itemized in items 10 to 14 in Column 1 in the Table of On Balance Sheet Items contained in the Capital Requirements Regulation. **Please note** that these loans are to be reported as *Commercial - Real Estate Secured: Insured on Line 1210, Commercial - Otherwise Secured: Fully Secured by Dep. & Gov't. Sec. on Line 1250* or *Commercial - Unsecured: Governments & Municipalities on Line 1270*. Loans reported on Lines 1210, 1250 and 1270 are not included in this definition of Commercial Loans as they are eligible for a 0 risk weighting when calculating the Capital Adequacy position. However, they are reported on these lines for consistency with the classification under the Commercial Lending Section of the Investment and Lending Policy.

"Commercial Lease" means:

- a) a lease made to an individual for a commercial activity, or
- b) a lease made to an entity, partnership or joint venture for any purpose.

"Residential Mortgage" means:

a loan to an individual secured by a mortgage on land or on the lessee's interest in a lease of land on which land, in either case, there are one or more buildings that are used or will be used, to the extent of at least 80% of the floor space, for residential purposes and:

- a) that are owner occupied or are intended to be owner occupied and are ready for occupancy,
- b) that are under construction and are intended to be occupied by the borrower on completion, or
- c) that are residential rental dwellings, consisting of not more than four units, ready for occupancy

and includes

- d) a loan to an individual secured by a mortgage on a hobby farm or a recreational property or on the lessee's interest in a lease on either.

"Farm Mortgage" means:

a loan secured by a mortgage on farm land, owned by an individual who is a farmer whose residence is on the land.

"Personal Loans" include:

- a) residential mortgages as defined,
- b) farm mortgages as defined, and
- c) loans to individuals, and not corporations for the purchase of securities or operation of business so long as the debt can be serviced from independent employment income.

"Personal Lease" means:

a lease made to an individual for non-commercial purposes.

Also, note that the following items must be included in the appropriate Loan and Lease Classification (Lines 1150 to 1280):

- a) Agreements for Sale,
- b) Loans and leases (not originated by your credit union) purchased without recourse in a regular way purchase / sale transaction, and

- c) Loans to Subsidiaries, 10% or Greater Ownership or loans to corporations where the credit union has an ownership interest (Lines 1210 to 1280).

1150 Personal - Real Estate Secured: Insured

Residential Mortgage loans and Lines of Credit fully secured by mortgages on land that are approved or insured under the *National Housing Act* (Canada), or an insurer authorized to conduct mortgage insurance business under the Act to the extent that such loans are guaranteed by the Government of Canada. Include CMHC insured loans granted under the British Columbia Home Mortgage Assistance Program (MAP) and CMHC insured manufactured home loans. Please note that Lines of Credit reported on Line 1155 below must also be included on this line.

Also, note that Genworth insured loans are 90% guaranteed by the federal government under the Government Guarantee Agreement. Therefore, 10% of loans not guaranteed should be included on Line 1160 or 1170, depending on the Loan to Fair Market Value (FMV) %.

1155 Personal - Real Estate Secured: Insured [Lines of Credit]

The outstanding balance of Lines of Credit included on Line 1150.

1160 Personal - Real Estate Secured: Residential - 75% of FMV or Less

Uninsured *Residential Mortgage* loans, including any eligible *Farm Mortgage* loans, where the outstanding balance on each loan is 75% or less of the FMV of the property. Also, include uninsured *Residential Mortgage* secured Lines of Credit where the authorized limit on each Line of Credit is 75% or less of the FMV of the property. The valuation is based on the FMV at the date of the mortgage and must be supported by an appraisal or other objective evidence of value. The FMV may only be adjusted when a new mortgage is taken on the property. If a second mortgage is taken, the FMV of the mortgage at the date of the second mortgage applies. Adjustment of the FMV is permitted as long as a new appraisal or appropriate proof of current FMV is obtained at the time of mortgage renewals, mortgage blend and extend and re-advanceable mortgages.

Include certificate of title loans, uninsured loans granted under the British Columbia Home Mortgage Assistance Plan (MAP) and interim construction mortgage financing, which qualify under the definition of a *Residential Mortgage*, on residential property where the outstanding balance is 75% or less of the FMV of the property. Please note that Lines of Credit reported on Line 1165 below must also be included on this line.

The percentage of FMV calculation must incorporate all loans and lines of credit secured on the same property. The following example (see text box) is provided for clarity.

Example

If a property with a FMV of \$500,000 supports an uninsured mortgage of \$200,000, and a line of credit with outstanding balance of \$50,000 and authorized limit of \$100,000, then the percentage of FMV is 60% $[(200,000+100,000)/500,000]$.

The outstanding amount of \$250,000 (200,000+50,000) should be reported on *Line 1150, or 1160*, as appropriate.

1165 Personal - Real Estate Secured: Residential - 75% of FMV or Less [Lines of Credit]

The outstanding balance of Lines of Credit included on Line 1160.

1170 Personal - Real Estate Secured: Residential - Greater than 75% of FMV

Uninsured *Residential Mortgage* loans, including any eligible *Farm Mortgage* loans, where the outstanding balance on each loan exceeds 75% of the FMV. Also, include uninsured *Residential Mortgage* Lines of Credit where the authorized limit on each Line of Credit exceeds 75% of the FMV. FMV is based on the value of the property at the date of the mortgage and must be supported by an appraisal or other objective evidence of value. Adjustment of the FMV is permitted as long as a new appraisal or appropriate proof of current FMV is obtained at the time of mortgage renewals, mortgage blend and extend and re-advanceable mortgages. If the sum of any prior or equally ranking encumbrances on the property, such as a first mortgage or lien, plus the amount of an uninsured loan exceeds 75% of the FMV of the property, the entire uninsured loan must be included in this category. Mortgages included in this category can be transferred to Line 1160 once the outstanding balance is reduced to/below 75% of the mortgage date FMV.

Include certificate of title loans, uninsured loans granted under the British Columbia Home Mortgage Assistance Plan (MAP) and interim construction mortgage financing, which qualifies under the definition of a *Residential Mortgage*, on residential property where the outstanding balance is greater than 75% of the FMV of the property. Please note that Lines of Credit reported on Line 1175 below must also be included on this line.

1175 Personal - Real Estate Secured: Residential - Greater than 75% of FMV [Lines of Credit]

The outstanding balance of Lines of Credit included on Line 1170.

1180 Personal - Otherwise Secured: Fully Secured by Deposits & Government Securities

Personal Loans and Lines of Credit which are:

- fully secured by pledged credit union deposits and non-equity shares*
- fully secured by pledged bank deposits*
- fully secured by pledged government securities*
- guaranteed by the Government of Canada, by a Province, by a Municipality or by the

Central Government of an OECD country to the extent the loans are guaranteed.

*should be registered under the *Personal Property Security Act* (PPSA).

Also, the guaranteed portion of Canada Student Loans would be included on this line. Please note that Lines of Credit reported on Line 1185 below must also be included on this line.

Reminder: *The portion of Canada Student Loans which are not guaranteed by the Federal Government must be included on Line 1200, Personal - Unsecured: All.*

1185 Personal - Otherwise Secured: Fully Secured by Deposits & Government Securities [Lines of Credit]

The outstanding balance of Lines of Credit included on Line 1180.

1187 Personal - Otherwise Secured: Leases

Personal Leases are recorded on this line. A Personal Lease means a lease made to an individual for non-commercial purposes.

1190 Personal - Otherwise Secured: All Others

All other *Personal Loans* and Lines of Credit which are otherwise secured, excluding *Personal Leases*, which are reported on Line 1187. This would include *Personal Loans* secured under the *Personal Property Security Act* (PPSA) which do not qualify under Line 1180. Please note that Lines of Credit reported on Line 1195 below must also be included on this line.

1195 Personal - Otherwise Secured: All Others [Lines of Credit]

The outstanding balance of Lines of Credit included on Line 1190.

1200 Personal - Unsecured: All

All other unsecured *Personal Loans*, Lines of Credit and all personal overdrafts, including the non-guaranteed portion of Canada Student Loans. Please note that Lines of Credit reported on Line 1205 below must also be included on this line.

Reminder: *The portion of Canada Student Loans which are guaranteed by the Federal Government must be included on Line 1180, Personal - Otherwise Secured: Fully Secured by Deposits & Government Securities.*

1205 Personal - Unsecured: All [Lines of Credit]

The outstanding balance of Lines of Credit included on Line 1200. Please note that outstanding personal credit card account balances are to be included here.

Reminder: *Personal overdrafts must be reported on Line 1200, Personal - Unsecured: All.*

1210 Commercial - Real Estate Secured: Insured

Commercial mortgage loans and Lines of Credit fully secured by mortgages on real estate that are insured under the *National Housing Act* (Canada) or an insurer authorized to conduct

mortgage insurance business under the Act. Please note that Lines of Credit reported on Line 1215 below must also be included on this line.

1215 Commercial - Real Estate Secured: Insured [Lines of Credit]

The outstanding balance of Lines of Credit included on Line 1210.

1220 Commercial - Real Estate Secured: Residential

Uninsured commercial mortgage loans and Lines of Credit on residential property not qualifying as a *Residential Mortgage*. Please note that Lines of Credit reported on Line 1225 below must also be included on this line.

1225 Commercial - Real Estate Secured: Residential [Lines of Credit]

The outstanding balance of Lines of Credit included on Line 1220.

1230 Commercial - Real Estate Secured: Progressive Draws / Interim Financing

This line includes all progressive draws / interim financing, including construction mortgage, which is not eligible for classification as a *Residential Mortgage*. Interim construction mortgage financing, eligible as a *Residential Mortgage*, is to be included in the appropriate Personal - Real Estate Secured: Residential Loan Classification (Line 1160 or 1170). Please note that Lines of Credit reported on Line 1235 below must also be included on this line.

1235 Commercial - Real Estate Secured: Progressive Draws / Interim Financing [Lines of Credit]

The outstanding balance of Lines of Credit included on Line 1230.

1240 Commercial - Real Estate Secured: All Others

All other *Commercial Loans* and Lines of Credit secured by a mortgage on real estate, including the certificate of title loans and non-guaranteed portion of Business Improvement Loans (Real Estate Secured) under the *Canada Small Business Financing Act*. Please note that Lines of Credit reported on Line 1245 below must also be included on this line.

1245 Commercial - Real Estate Secured: All Others [Lines of Credit]

The outstanding balance of Lines of Credit included on Line 1240.

1250 Commercial - Otherwise Secured: Fully Secured by Deposits & Government Securities

Commercial Loans and Lines of Credit which are:

- fully secured by pledged credit union deposits and non-equity shares
- fully secured by pledged bank deposits
- fully secured by pledged government securities
- guaranteed by the Government of Canada, by a Province, by a Municipality, or by the Central Government of an OECD country to the extent the loans are guaranteed.

The guaranteed portion of Business Improvement Loans under the *Canada Small Business Financing Act* must be included here. (These loans are guaranteed to a limited extent and individual credit unions will have to calculate the guaranteed and non-guaranteed portions of their Small Business Loan portfolio.) Please note that Lines of Credit reported on Line 1255 below must also be included on this line.

1255 Commercial - Otherwise Secured: Fully Secured by Deposits & Government Securities [Lines of Credit]

The outstanding balance of Lines of Credit included on Line 1250.

1257 Commercial - Otherwise Secured: Leases

Commercial Leases are recorded on this line. A *Commercial Lease* means a lease made to an individual for a commercial activity, or a lease made to an entity, partnership or joint partnership for any purpose.

1260 Commercial - Otherwise Secured: All Others

All other *Commercial Loans* and Lines of Credit which are otherwise secured, excluding commercial leases, which are reported on Line 1257. This would include all commercial loans secured under the *Personal Property Security Act* (PPSA) and the non-guaranteed portion of Business Improvement Loans (Otherwise Secured) under the *Canada Small Business Financing Act*. Please note that Lines of Credit reported on Line 1265 below must also be included on this line.

1265 Commercial - Otherwise Secured: All Others [Lines of Credit]

The outstanding balance of Lines of Credit included on Line 1260.

1270 Commercial - Unsecured: Governments & Municipalities

Commercial Loans and Lines of Credit to the federal or provincial governments and municipalities. Please note that Lines of Credit reported on Line 1275 below must also be included on this line.

1275 Commercial - Unsecured: Governments & Municipalities [Lines of Credit]

The outstanding balance of Lines of Credit included on Line 1270.

1280 Commercial - Unsecured: All Others

All other unsecured *Commercial Loans*, Lines of Credit and all commercial overdrafts. Please note that Lines of Credit reported on Line 1285 below must also be included on this line.

1285 Commercial - Unsecured: All Others [Lines of Credit]

The outstanding balance of Lines of Credit included on Line 1280. Please note that outstanding commercial credit card account balances are to be included here.

Reminder: All commercial overdrafts must be reported on Line 1280, Commercial - Unsecured: All Others.

1284 Securitizations: Personal Insured

Personal Insured securitizations originated by your credit union that have been determined to be a “financing” under IFRS but do not meet IFRS de-recognition criteria and for which proceeds from investors have been received. Includes insured personal loans securitized under NHA-MBS / CMB and other programs.

Reminder: Personal insured securitizations originated by your credit union that have been determined to be a “financing” under IFRS but do not meet IFRS de-recognition criteria and being held pending purchase by investors are to be included on this line.

1286 Securitizations: Commercial Insured

Commercial Insured securitizations originated by your credit union that have been determined to be a “financing” under IFRS but do not meet IFRS de-recognition criteria and for which proceeds from investors have been received. Includes insured commercial loans securitized under NHA-MBS / CMB and other programs.

Reminder: Commercial insured securitizations originated by your credit union that have been determined to be a “financing” under IFRS but do not meet IFRS de-recognition criteria and being held pending purchase by investors are to be included on this line.

1288 Securitizations: Personal Non-Insured

Personal Non-Insured securitizations originated by your credit union that have been determined to be a “financing” under IFRS but do not meet IFRS de-recognition criteria and for which proceeds from investors have been received. Includes non-insured securitized personal loans and leases. Please note that securitized personal leases reported on Line 1298 below must also be included on this line.

Reminder: Personal non-insured securitizations originated by your credit union that have been determined to be a “financing” under IFRS but do not meet IFRS de-recognition criteria and being held pending purchase by investors are to be included on this line.

1298 Securitizations: Personal Non-Insured [Leases]

The outstanding balance of personal securitized leases included on Line 1288.

1289 Securitizations: Commercial Non-Insured

Commercial Non-Insured securitizations originated by your credit union that have been determined to be a “financing” under IFRS but do not meet IFRS de-recognition criteria and for which proceeds from investors have been received. Includes non-insured securitized commercial loans and leases. Please note that securitized commercial leases reported on Line 1299 below must also be included on this line.

Reminder: *Commercial non-insured securitizations originated by your credit union that have been determined to be a “financing” under IFRS but do not meet IFRS de-recognition criteria and being held pending purchase by investors are to be included on this line.*

1299 Securitizations: Commercial Non-Insured [Leases]

The outstanding balance of commercial securitized leases included on Line 1289.

1290 Accrued Interest

Includes accrued interest on all loans, leases, and securitizations from Lines 1150 to 1289.

1300 Allowance for Impairment: Personal

Provisions for losses on *Personal Loans, Personal Leases*, and Securitizations - Personal (Insured and Non-Insured), (Lines 1150, 1160, 1170, 1180, 1187, 1190, 1200, 1284, and 1288) including both collective and specific allowances. Any loss provisions on Property Acquired in Settlement of Loans and Leases or Property Held for Investments are to be netted on Lines 1350 and 1360, respectively.

Reminder: *This line must equal the amount reported on Quarterly Page 2 Line 4640, ALLOWANCE FOR IMPAIRMENT – LOANS AND LEASES: Total Personal: Ending Balance.*

1305 Allowance for Impairment: Personal [Specific]

Specific provisions for losses on *Personal Loans, Personal Leases*, and Securitizations - Personal (Insured and Non-Insured). The outstanding balance of Line 1305 is included on Line 1300.

1310 Allowance for Impairment: Commercial

Provisions for losses on *Commercial Loans, Commercial Leases*, and Securitizations - Commercial (Insured and Non-Insured) (Lines 1210, 1220, 1230, 1240, 1250, 1257, 1260, 1270, 1280, 1286, and 1289) including both collective and specific allowances. Any losses on Property Acquired in Settlement of Loans and Leases or Property Held for Investments are to be netted on Lines 1350 and 1360, respectively.

Reminder: *This line must equal the amount reported on Quarterly Page 2 Line 4690, ALLOWANCE FOR IMPAIRMENT – LOANS AND LEASES: Total Commercial: Ending Balance.*

1315 Allowance for Impairment: Commercial [Specific]

Specific provisions for losses on *Commercial Loans, Commercial Leases*, and Securitizations - Commercial (Insured and Non-Insured). The outstanding balance of Line 1315 is included on Line 1310.

1320 LOANS AND LEASES

The sum of Lines 1150, 1160, 1170, 1180, 1187, 1190, 1200, 1210, 1220, 1230, 1240, 1250, 1257, 1260, 1270, 1280, 1284, 1286, 1288, 1289, 1290, 1300 and 1310.

2.1.4. OTHER ASSETS

1330 Premises & Equipment - Net

Net book value, after accumulated depreciation / amortization, of credit union's property, plant and equipment such as land, buildings, leasehold improvements, furniture & equipment (computer & non-computer), automobiles, ATM's (owned or leased), etc. Please note that right-of-use assets reported on Line 1335 below must also be included on this line.

1335 Premises & Equipment - Net [Right-of-Use Assets]

Net book value, after accumulated depreciation / amortization and impairment, of credit union's right-of-use assets representing the right to use the underlying leased property, plant and equipment for the lease term. The outstanding balance of Line 1335 is included on Line 1330.

Reminder: Report associated liability for lease payments on Line 2189, OTHER LIABILITIES: Lease Liability.

1350 Property Acquired in Settlement of Loans and Leases - Net

Property, including land, buildings, vehicles, and any other property acquired in settlement or partial settlement of loans and leases and held for less than 7 years, net of any allowance for property losses and accumulated depreciation / amortization. Property held for more than 7 years is to be included on Line 1360, Property Held for Investments, net of any allowance for property losses and accumulated depreciation / amortization.

Reminder: Do not include allowances for loans which are expected to be transferred to Property Acquired in Settlement of Loans and Leases but are still reported in Loans and Leases. Continue to report the appropriate allowances on Lines 1300 and 1310 until the transfer from Loans and Leases to Property Acquired in Settlement of Loans and Leases has been made.

1360 Property Held for Investments - Net

Property, including land and buildings, acquired for investment purposes or acquired in settlement of loans and leases and held for more than 7 years, net of any allowance for property losses and accumulated depreciation / amortization. Please note that right-of-use assets reported on Line 1365 below must also be included on this line.

Reminder: Gains (losses) on the disposal of Property Held for Investments are to be reported on Line 3480, Capital Gain (Loss).

1365 Property Held for Investments - Net [Right-of-Use Assets]

Right-of-use assets representing the right to use the underlying leased investment property, including land and buildings, for the lease term, net of any allowance for property losses and accumulated depreciation / amortization. The outstanding balance of Line 1365 is included on Line 1360.

Reminder: Report associated liability for lease payments on Line 2189, *OTHER LIABILITIES: Lease Liability*.

1370 Equity Investments: Less Than 10% Ownership

Equity Investments, using the cost basis of accounting, in corporations where credit union ownership and control is less than 10%, i.e., shares in CUCO, CUPP etc. Also, include investment in Credential Securities Inc. (national credit union brokerage corporation).

1380 Equity Investments: 10% or Greater Ownership

Equity Investments, as calculated using the Equity Method of Accounting, for each investment of the credit union representing 10% or greater share of ownership or control in a corporation other than a corporation that carries on the business of:

- i. banking;
- ii. insurance business (other than an insurance agent or insurance adjuster);
- iii. trust business, deposit business, or both;
- iv. broker, underwriter, or dealer in securities.

If such investments are valued on the books of the credit union using the Equity Method of Accounting, then no adjustment is necessary. However, FICOM requires the losses of investment in subsidiary to continue to be recognized in Line 1380 as if the investment and credit union as presented as a single economic entity.

According to the *Financial Institutions Act*, a credit union must calculate an investment in the shares of a subsidiary using the Equity Method of Accounting described in this guide.

Under the Equity Method of Accounting, the credit union initially records its investment in the subsidiary at the original cost of the investment. The recorded value of the investment is then adjusted to include the credit union's pro-rata share of the net income earned (or losses incurred) by the subsidiary since the date of the acquisition, less goodwill and other intangible assets impairment / amortization expense, and less dividends received from the subsidiary.

Credit unions with investments in subsidiaries are required to ensure that all asset and liability values of subsidiaries are determined in accordance with international financial reporting standards for each reporting period and that any impairment in values is properly reflected in investment carrying values.

Please Note: If the credit union's share of losses of the subsidiary equals or exceeds its value of investment in subsidiary, the credit union should discontinue recognising its share of further losses. After the credit union's value of 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 subsidiary. If the subsidiary 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.

ACQUISITION COST	\$XXX
ADD: Post acquisition pro-rata share of net income (loss) including other impairment losses of the subsidiary at the reporting date	XXX
LESS: Goodwill and other intangible assets Impairment / amortization expense	(XXX)
LESS: Dividends received from subsidiary	(XXX)
VALUE OF INVESTMENT IN SUBSIDIARY	<u>\$XXX</u>

Reminder: This line must equal to the amount reported on Line 4100, VALUE OF EQUITY INVESTMENT. Please refer to the description of Lines 4010 to 4100 in the EQUITY INVESTMENTS section of this guide for further details.

Amounts funded by the credit union to its subsidiaries by way of a loan are not to be included here but are to be included in the appropriate Commercial Loan Category (Lines 1210 to 1280).

1390 Deferred Income Tax Debits

Deferred Income Tax debits resulting from differences between taxable and accounting income.

Reminder: If the net result of deferred income tax is a credit position, it must be reported on Line 2240, Deferred Income Tax Credits.

1407 Derivative Financial Instruments

Includes FMV adjustments of swaps, unrealized gains, (losses are to be offset against gains only as permitted by IFRS), accrued receivables on foreign exchange and interest rate-related off-balance sheet transactions, accruals for derivative contracts which result in a net receivable, deferred losses on hedging instruments, margin requirements, and premiums paid.

Reminder: Accruals for derivative contracts (i.e., swaps) which result in a net payable must be included on Line 2186, OTHER LIABILITIES: Derivative Financial Instruments.

According to International Accounting Standards (IAS) 32: Financial Instruments: Presentation:

“A financial asset and a financial liability shall be offset and the net amount presented in the statement of financial position when, and only when, an entity:

- (a) currently has a legally enforceable right to set off the recognised amounts;
- and

- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.”

1408 Goodwill and Other Intangible Assets

Goodwill and Other Intangible Assets recognized on the books of the credit union.

An example of Goodwill on the books of the credit union would be a credit union purchasing branch business from a bank at a premium over the carrying value of the business purchased.

An example of Other Intangible Assets on the books of the credit union would be computer software.

Please note that right-of-use assets reported on Line 1409 below must also be included on this Line.

Reminder: *This line may not be the same as Line 6300, Goodwill and Other Intangible Assets for Deductions from Capital, as Line 6300 also includes any Goodwill and Other Intangible Assets recognized on the books of the credit union’s subsidiaries.*

1409 Other Intangible Assets [Right-of-Use Assets]

Right-of-use assets on the books of the credit union representing the right to use the underlying leased intangible assets for the lease term, net of any impairment and accumulated amortization. The outstanding balance of Line 1409 is included on Line 1408.

Reminder: *Report associated liability for lease payments on Line 2189, OTHER LIABILITIES: Lease Liability.*

1410 All Other Assets

All remaining assets at book value, e.g. prepaid expenses, accounts receivable, cash shortages, current income taxes receivable, etc.

Reminder: *If prepaid expenses, receivables, etc. are in a net credit position, please review the individual account. All accounts in a credit position are to be reported on Line 2190, OTHER LIABILITIES.*

1420 OTHER ASSETS

The sum of Lines 1330 to 1410.

1430 TOTAL ASSETS

The sum of Lines 1100, 1140, 1320, and 1420.

2.2. NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION (PAGE 2 OF FSR)

2.2.1. BORROWINGS

2010 Central 1 Credit Union: Operating Account

Central 1 Credit Union operating accounts (U.S. and CDN) net of manager's chequing account(s) and other related clearing account(s) administered in the member chequing sub-ledger or other general ledger accounts where net result is a borrowing balance (credit).

Reminder: *When in a debit balance, classify on Line 1020, CASH AND LIQUIDITY INVESTMENTS: Central 1 Credit Union: Operating Account.*

2020 Central 1 Credit Union: Term

All Term borrowings from Central 1 Credit Union, excluding Central 1 Credit Union Operating Account borrowings which is classified on Line 2010. Please note that any Central 1 Credit Union Specified Term Borrowing outstanding balances on Line 2025 below must be included on this line.

2025 Central 1 Credit Union: Term [Specified]

Specified borrowings from Central 1 Credit Union (debt obligations that have a term to maturity when issued of not more than 7 days and are borrowed to meet short term requirements for liquid funds) are reported here and included on Line 2020.

2027 Securitizations

Borrowings for Securitization transactions that have been determined to be a “financing” under IFRS are reported here. Please note that any NHA-MBS / CMB securitizations outstanding balances on Line 2028 below must be included on this line.

2028 Securitizations [NHA - MBS / CMB]

All *National Housing Act* Mortgage Backed Securities (NHA-MBS) and Canadian Mortgage Bonds (CMB) securitization transactions are reported here and included on Line 2027, BORROWINGS: Securitizations.

2030 Other

All non-Central 1 Credit Union borrowings such as chartered bank loans, mortgages payable, government loans, and any other loans payable. Please note that any Other Specified Borrowings outstanding balances on Line 2035 below are to be included on this line.

Reminder: *Securitization Borrowings for Securitization transactions determined to be a “financing” are to be reported on Line 2027, BORROWINGS: Securitizations.*

2035 Other [Specified]

The outstanding balance of any specified borrowings (debt obligations that are repayable on demand or have a term to maturity when issued of not more than 7 days and are borrowed to meet short term requirements for liquid funds) are reported here and included on Line 2030.

2040 Accrued Interest on Borrowings

Accrued interest on borrowings included on Lines 2010 to 2030.

Reminder: *This value is often reported as zero when non-zero amounts are reported on any of Lines 2010, 2020, 2027, and 2030. If any amounts are reported on Lines 2010, 2020, 2027, and 2030, then this line must be non-zero unless interest is paid up at month end. Please ensure that accruals for borrowings are included here and that the associated expense is reported on Lines 3140, 3150, 3157, and 3160.*

2050 BORROWINGS

The sum of Lines 2010, 2020, 2027, 2030, and 2040.

2.2.2. DEPOSITS

2060 Demand: Chequing

Demand chequing deposits where:

- a) interest is calculated based on an established minimum dollar balance and period of time (i.e., minimum half-yearly balance of \$100). Interest is generally minimal or NIL and is applied on an untiered basis. This type of account is commonly known as a "Basic" chequing account.
- b) interest is calculated daily on a tiered basis. This type of account is commonly known as a "Daily Interest Chequing" Account.

Lines of Credit (LOC) or Overdrafts utilized, which are recorded on the credit union's books as chequing accounts with debit balances, must be added back to this line and included in the appropriate Loan classification on Lines 1150 to 1280. Please note that all Personal Overdrafts are to be included on Line 1200, LOANS AND LEASES: Personal – Unsecured: All, and all Commercial Overdrafts are to be included on Line 1280, LOANS AND LEASES: Commercial – Unsecured: All Others. Do not include Overdrafts with any LOC classification.

In addition, the outstanding balance of manager's cheques written on the Central 1 Credit Union Operating Account is not included here. Please refer to the earlier description of Lines 1020 and 2010 for proper treatment.

2080 Demand: Savings - Regular

Demand saving deposits where:

- a) interest is calculated daily, on an untiered basis, and there are no chequing privileges. This type of account is commonly known as a "Daily Interest Savings" or "Plan 24" Account.

- b) interest is calculated monthly, based on a minimum (i.e., monthly, quarterly, semi-annual, etc.) dollar balance. Interest is applied on an untiered basis and there are no chequing privileges. This type of account is commonly known as a "Minimum Balance Savings" or "Special Savings" Account.

2100 Demand: Savings – High Interest Savings

Demand saving deposits where interest is calculated daily, on a tiered basis, similar to "Daily Interest Chequing" Accounts, but at higher interest rates applied on higher tiered levels. This type of account is commonly known as a "High Interest Savings" Account.

2110 Demand: Registered Plans

All demand Registered Plans which receive a variable rate of interest including Registered Retirement Savings Plans (RRSP's), Registered Retirement Income Funds (RRIF's), Registered Education Savings Plans (RESP's), Tax-Free Savings Accounts (TFSA's), and other Registered Plans.

2120 Demand: Other

All other demand deposit accounts not included on Lines 2060 to 2110.

Reminder: *Dormant and U.S. dollar accounts are not included here. U.S. dollar chequing accounts (\$CDN equivalent) must be included in the appropriate chequing account, Line 2060 - Chequing. Other U.S. dollar savings accounts (\$CDN equivalent) must be included in the appropriate savings accounts, Lines 2080 to 2110.*

2130 Term: Redeemable

Redeemable term deposits, including regular interest rate, premium interest rate, and special bid interest rate term deposits.

2137 Term: Non-redeemable

Non-redeemable term deposits, including regular interest rate, premium interest rate, and special bid interest rate term deposits.

2140 Term: Registered Plans

All term Registered Plans which receive a fixed rate of interest, including Registered Retirement Savings Plans (RRSP's), Registered Retirement Income Funds (RRIF's), Registered Education Savings Plans (RESP's), Tax-Free Savings Accounts (TFSA's), and other Registered Plans.

2150 Term: Other

All other term deposits not included on Lines 2130 to 2140.

2160 Non-Equity Shares

All active non-equity shares. Also, include any endowment shares.

Reminder: *Dormant non-equity shares must be included on Line 2187, OTHER LIABILITIES: Dormant Deposits.*

2170 Accrued Interest on Deposits & Dividends on Non-Equity Shares

Accrued interest on deposits and dividends on non-equity shares included on Lines 2060 to 2160. Include any accruals for dividends on equity shares that are payable in cash or as a credit to a non-equity share or other deposit account.

If the credit union intends to pay a dividend on non-equity shares at year end, the accrual must be set up monthly or the financial margin will be incorrectly stated. If the expected rate of dividend changes during the year then the accrued dividend can be adjusted at that time.

Reminder: *Accruals for non-equity shares, that are payable in the form of equity shares, must be reported on the appropriate Lines in the CAPITAL section - Primary Capital: Dividends to be Paid as Primary Capital (Line 2270) or Secondary Capital: Dividends to be Paid as Secondary Capital (Line 2300).*

Accruals for Patronage Refunds that are payable in cash, as a credit to a loan, or to a non-equity share or other deposit account must be reported on Line 2188, OTHER LIABILITIES: Other.

Accruals for Patronage Refunds that will be paid in the form of equity shares must be reported on the appropriate lines in the CAPITAL section - Primary Capital: Dividends to be Paid as Primary Capital (Line 2270) or Secondary Capital: Dividends to be Paid as Secondary Capital (Line 2300).

2180 DEPOSITS

The sum of Lines 2060 to 2170.

2.2.3. OTHER LIABILITIES

2186 Derivative Financial Instruments

Includes 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 and administration costs etc., accruals for derivative contracts which result in a net payable, deferred gains on hedging instruments, and premiums received.

Reminder: *Accruals for derivative contracts (i.e., swaps) which result in a net receivable must be included on Line 1407, OTHER ASSETS: Derivative Financial Instruments.*

According to IAS 32: Financial Instruments: Presentation:

“A financial asset and a financial liability shall be offset and the net amount presented in the statement of financial position when, and only when, an entity:

- (a) currently has a legally enforceable right to set off the recognised amounts;
- and

- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously”.

2187 Dormant Deposits

Dormant deposits are recorded on this line. A dormant deposit is a deposit where no transaction has taken place and no statement of account has been requested or acknowledged by the creditor during a period of 24 months,

- a) in the case of a deposit made for a fixed period, from the day on which the fixed period terminated, and
- b) in the case of any other deposit, from the day on which the last transaction took place or a statement of account was last requested or acknowledged by the creditor, whichever is later.

This line also includes inactive deposits. Section 85 (1.1) of the *Financial Institutions Act* defines an inactive deposit as a deposit having no transaction activity and no request for, or acknowledgement of, a statement of account for a period of 10 years.

Reminder: *Dormant or inactive equity share accounts must be included on the appropriate lines in the CAPITAL section - Primary Capital: Equity Shares (Lines 2191 to 2198) or Secondary Capital: Equity Shares (Lines 2271 to 2278).*

If the amount of an inactive deposit, including interest, is less than \$100, then the credit union may treat it as income and include on Line 3301, NON-INTEREST INCOME: Member Services: Deposit Account Services – Net.

If the amount of an inactive deposit, including interest, is greater than \$100, then the inactive deposit is deemed to be an unclaimed money deposit under the Unclaimed Property Act and the funds must be paid to the British Columbia Unclaimed Property Society.

2188 Other

All other liabilities not included on Lines 2186, 2187 and 2189. Includes 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 all other comparable liabilities.

Reminder: *Manager's Chequing Accounts and related clearings must be included either on Line 1020, CASH AND LIQUIDITY INVESTMENTS: Central 1 Credit Union: Operating Account or on Line 2010, BORROWINGS: Central 1 Credit Union: Operating Account.*

Accruals for Patronage Refunds that will be paid in the form of equity shares must be reported on the appropriate Lines in the CAPITAL section - Primary Capital:

*Dividends to be Paid as Primary Capital (Line 2270) or Secondary Capital:
Dividends to be Paid as Secondary Capital (Line 2300).*

2189 Lease Liability

Report lease liability for lease payments related to right-of-use assets included on Line 1335, 1365 and 1409, OTHER ASSETS: Right-of-Use Assets.

2190 OTHER LIABILITIES

The sum of Lines 2186 to 2189.

2.2.4. CAPITAL

Completion of the lines in this section assumes that the reader has sufficient working knowledge to: complete a Capital Adequacy Return; distinguish between primary and secondary capital; and determine the eligibility of primary and secondary capital. For a more detailed description on Capital Adequacy, please refer to the *Capital Adequacy Return Completion Guide* posted on FICOM's web site.

2191 Primary Capital: Equity Shares: Membership

Membership equity shares, whether active, dormant or inactive, are reported on this line.

2192 Primary Capital: Equity Shares: Investment

Investment equity shares, whether active, dormant or inactive, which qualify as Primary Capital i.e., Equity Shares without redemption rights and Equity Shares with limited redemption rights, are recorded on this line.

2193 Primary Capital: Equity Shares: Investment [Discount]

For Capital Adequacy purposes, Primary Investment Equity Shares with a fixed date for redemption or repayment are subject to discounting. The \$ discount is the amount considered to be ineligible for Capital Adequacy and is to be calculated and entered on this line. To calculate the \$ discount, multiply the outstanding balance of Primary Investment Equity Shares by the appropriate discount % (please refer to Appendix I - Capital Items Subject to Discounting).

2194 Primary Capital: Equity Shares: Transaction

Transaction equity shares, whether active, dormant or inactive, which qualify as Primary Capital, are recorded on this line.

2195 Primary Capital: Equity Shares: Transaction [Discount]

For Capital Adequacy purposes, Primary Transaction Equity Shares with a fixed date for redemption or repayment are subject to discounting. The \$ discount is the amount considered to be ineligible for Capital Adequacy and is to be calculated and entered on this line. To calculate the \$ discount, multiply the outstanding balance of Primary Transaction Equity Shares by the appropriate discount % (please refer to Appendix I - Capital Items Subject to Discounting).

2196 Primary Capital: Equity Shares: Preferred

Preferred equity shares, whether active, dormant or inactive, which qualify as Primary Capital i.e., Equity Shares without redemption rights and Equity Shares with limited redemption rights, are recorded on this line.

2197 Primary Capital: Equity Shares: Preferred [Discount]

For Capital Adequacy purposes, Primary Preferred Equity Shares with a fixed date for redemption or repayment are subject to discounting. The \$ discount is the amount considered to be ineligible for Capital Adequacy and is to be calculated and entered on this line. To calculate the \$ discount, multiply the outstanding balance of Primary Preferred Equity Shares by the appropriate discount % (please refer to Appendix I - Capital Items Subject to Discounting).

2198 Primary Capital: Equity Shares: Other

All other equity shares, including Partner Equity Shares, whether active, dormant or inactive, which qualify as Primary Capital i.e., Equity Shares without redemption rights and Equity Shares with limited redemption rights, and not included on Lines 2191, 2192, 2194, and 2196.

2199 Primary Capital: Equity Shares: Other [Discount]

For Capital Adequacy purposes, Primary Other Equity Shares with a fixed date for redemption or repayment are subject to discounting. The \$ discount is the amount considered to be ineligible for Capital Adequacy and is to be calculated and entered on this line. To calculate the \$ discount, multiply the outstanding balance of Primary Other Equity Shares by the appropriate discount % (please refer to Appendix I - Capital Items Subject to Discounting).

2200 Primary Capital: Equity Shares

The sum of Lines 2191, 2192, 2194, 2196, and 2198.

2208 Primary Capital: Contributed Surplus

Record Contributed Surplus on this line. Contributed surplus has arisen in credit unions that have purchased another credit union where the purchase method of accounting was applied to account for the merger.

2210 Primary Capital: Retained Earnings (Deficit): Previous Year End

The retained earnings (deficit) from previous year end.

If the Equity Method of Accounting is not used to account for Equity Investments (10% or Greater Ownership) on the credit union's books, the Retained Earnings (Deficit): Previous Year End figure must be adjusted on the FSR. This adjustment must be calculated for each investment of the credit union representing 10% or greater share of ownership or control in a corporation other than a corporation that carries on the business of:

- i. banking;
- ii. insurance business (other than an insurance agent or insurance adjuster);
- iii. trust business, deposit business, or both;

iv. broker, underwriter, or dealer in securities.

If such investments are valued on the books of the credit union using the Equity Method of Accounting, then no adjustment is necessary, otherwise an adjustment must be calculated.

The adjustment is equal to Line 4020, EQUITY INVESTMENTS: Post Acquisition Net Earnings (Losses): To Previous Year End. Please refer to the description of Lines 4010 to 4100 in the EQUITY INVESTMENTS section of this guide for further details.

2215 Primary Capital: Retained Earnings (Deficit): 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).

Please Note: Once the year-end audit is completed, any subsequent changes to the audited retained earnings figure must be supported by the credit union filing an adjustment letter with FICOM. This letter must be submitted following the first Monthly Financial & Statistical Return filed after the adjustment and the letter must outline the nature and exact amount of the adjustment. Any subsequent adjustments require additional letters.

2220 Primary Capital: Retained Earnings (Deficit): Net Income (Loss) Year-to-Date

Cumulative net income (loss) for the period.

If the Equity Method of Accounting is not used to account for Equity Investments (10% or Greater Ownership) on the credit union's books, the Retained Earnings (Deficit): Net Income (Loss) Year-to-Date figure must be adjusted on the FSR.

The adjustment is made on Line 3330, INCOME (LOSS) FROM EQUITY INVESTMENTS - 10% OR GREATER: Subsidiary and Other Equity Investment Earnings (Losses) - Net and Line 3330 must equal Line 4090, EQUITY INVESTMENTS: Post Acquisition Net Earnings (Losses): Year-to-Date of the FSR. Please refer to the description of Lines 4010 to 4100 in the EQUITY INVESTMENTS section of this guide for further details.

Reminder: *This line must also equal the amount reported on Line 3500, NET INCOME (LOSS), from the STATEMENT OF COMPREHENSIVE INCOME.*

2230 Primary Capital: Retained Earnings (Deficit)

The sum of Lines 2210, 2215, and 2220.

2240 Primary Capital: Deferred Income Tax Credits

Deferred Income Tax Credits resulting from differences between taxable and accounting income.

Reminder: *If the net result of deferred income tax is a debit it must be reported on Line 1390, OTHER ASSETS: Deferred Income Tax Debits.*

2250 Primary Capital: Subordinated Debt – CUDIC / SCCU

The outstanding balance due to CUDIC or SCCU under a financial assistance subordinated debenture.

2255 Primary Capital: Subordinated Debt – CUDIC / SCCU [Discount]

For Capital Adequacy purposes, CUDIC / SCCU Subordinated Debentures are subject to discounting. The \$ discount is the amount considered to be ineligible for Capital Adequacy and is to be calculated and entered on this line. To calculate the \$ discount, multiply the outstanding balance of CUDIC / SCCU Subordinated Debentures by the appropriate discount % (please refer to Appendix I - Capital Items Subject to Discounting).

2260 Primary Capital: Other

All other primary capital not included on Lines 2200, 2208, 2230, 2240, and 2250. Includes other types of primary capital and/or reserves which may become eligible in the future.

2270 Primary Capital: Dividends to be Paid as Primary Capital

All accrued but unpaid patronage refunds and dividends on Non-Equity Shares (Line 2160), Primary Capital (Lines 2200 and 2260) and Secondary Capital (Lines 2280 and 2296) that will be paid as Primary Capital in the form of equity shares.

Reminder: *Accruals for equity and non-equity share dividends, payable in cash, as a credit to a loan, or to a non-equity share or other deposit account, must be reported on Line 2170, DEPOSITS: Accrued Interest on Deposits and Dividends on Non- Equity Shares.*

Accruals for Patronage Refunds that are payable in cash, as a credit to a loan, or to a non-equity share or other deposit account, must be reported on Line 2188, OTHER LIABILITIES: Other.

2271 Secondary Capital: Equity Shares – Investment

Investment equity shares, whether active, dormant or inactive, which do not qualify as Primary Capital are recorded on this line.

2272 Secondary Capital: Equity Shares – Investment [Discount]

For Capital Adequacy purposes, Secondary Investment Equity Shares with a fixed date for redemption or repayment are subject to discounting. The \$ discount is the amount considered to be ineligible for Capital Adequacy and is to be calculated and entered on this line. To calculate the \$ discount, multiply the outstanding balance of Secondary Investment Equity Shares by the appropriate discount % (please refer to Appendix I - Capital Items Subject to Discounting).

2273 Secondary Capital: Equity Shares – Transaction

Transaction equity shares, whether active, dormant or inactive, which do not qualify as Primary Capital are recorded on this line.

2274 Secondary Capital: Equity Shares – Transaction [Discount]

For Capital Adequacy purposes, Secondary Transaction Equity Shares with a fixed date for redemption or repayment are subject to discounting. The \$ discount is the amount considered to be ineligible for Capital Adequacy and is to be calculated and entered on this line. To calculate the \$ discount, multiply the outstanding balance of Secondary Transaction Equity Shares by the appropriate discount % (please refer to Appendix I - Capital Items Subject to Discounting).

2276 Secondary Capital: Equity Shares – Preferred

Preferred equity shares, whether active, dormant or inactive, which do not qualify as Primary Capital are recorded on this line.

2277 Secondary Capital: Equity Shares – Preferred [Discount]

For Capital Adequacy purposes, Secondary Preferred Equity Shares with a fixed date for redemption or repayment are subject to discounting. The \$ discount is the amount considered to be ineligible for Capital Adequacy and is to be calculated and entered on this line. To calculate the \$ discount, multiply the outstanding balance of Secondary Preferred Equity Shares by the appropriate discount % (please refer to Appendix I - Capital Items Subject to Discounting).

2278 Secondary Capital: Equity Shares – Other

All other equity shares, including Partner Equity Shares, whether active, dormant or inactive, which do not qualify as Primary Capital and are not included on Lines 2271, 2273, and 2276.

2279 Secondary Capital: Equity Shares – Other [Discount]

For Capital Adequacy purposes, Secondary Other Equity Shares with a fixed date for redemption or repayment are subject to discounting. The \$ discount is the amount considered to be ineligible for Capital Adequacy and is to be calculated and entered on this line. To calculate the \$ discount, multiply the outstanding balance of Secondary Other Equity Shares by the appropriate discount % (please refer to Appendix I - Capital Items Subject to Discounting).

2280 Secondary Capital: Equity Shares

The sum of Lines 2271, 2273, 2276, and 2278.

2290 Secondary Capital: Subordinated Debt - Other

All Subordinated Debt other than CUDIC / SCCU Subordinated Debentures which are included on Line 2250, Primary Capital: Subordinated Debt – CUDIC / SCCU.

2295 Secondary Capital: Subordinated Debt – Other [Discount]

For Capital Adequacy purposes, Subordinated Debt is subject to discounting. The \$ discount is the amount considered to be ineligible for Capital Adequacy and is to be calculated and entered on this line. To calculate the \$ discount, multiply the outstanding balance of Subordinated Debt by the appropriate discount % (please refer to Appendix I - Capital Items Subject to Discounting).

2296 Secondary Capital: Other

All other secondary capital not included on Lines 2280 and 2290 and other types of secondary capital and/or reserves which may become eligible in the future.

2300 Secondary Capital: Dividends to be Paid as Secondary Capital

All accrued but unpaid patronage refunds and dividends on Non-Equity Shares (Line 2160), Primary Capital (Lines 2200 and 2260) and Secondary Capital (Lines 2280 and 2296) that will be paid as Secondary Capital in the form of equity shares.

Reminder: *Accruals for equity and non-equity share dividends, payable in cash, as a credit to a loan, or to a non-equity share or other deposit account, must be reported on Line 2170, DEPOSITS: Accrued Interest on Deposits and Dividends on Non-Equity Shares.*

Accruals for Patronage Refunds that are payable in cash, as a credit to a loan, or to a non-equity share or other deposit account, must be reported on Line 2188, OTHER LIABILITIES: Other.

2310 CAPITAL

The sum of Lines 2200, 2208, 2230, 2240, 2250, 2260, 2270, 2280, 2290, 2296, and 2300.

2313 Accumulated Other Comprehensive Income (Loss): Previous Year End

Accumulated Other Comprehensive Income (Loss) balance from the previous year end.

If the Equity Method of Accounting is not used to account for Equity Investments (10% or Greater Ownership) on the credit union's books, the credit union's Accumulated Other Comprehensive Income (Loss): Previous Year End figure must be adjusted on the FSR to include the credit union's proportional ownership share of its subsidiaries. Please refer to the description of Lines 4010 to 4100 in the EQUITY INVESTMENTS section of this guide for further details.

2314 Accumulated Other Comprehensive Income (Loss): Other Comprehensive Income (Loss) - Year-to-Date

The year-to-date Other Comprehensive Income (Loss) for the fiscal period.

If the Equity Method of Accounting is not used to account for Equity Investments (10% or Greater Ownership) on the credit union's books, the credit union's Accumulated Other Comprehensive Income (Loss): Other Comprehensive Income (Loss) - Year-to- Date figure must be adjusted on the FSR to include the credit union's proportional ownership share of its subsidiaries. Please refer to the description of Lines 4010 to 4100 in the EQUITY INVESTMENTS section of this guide for further details.

Reminder: *This line must equal the amount reported on Line 3600, OTHER COMPREHENSIVE INCOME (LOSS) from the STATEMENT OF COMPREHENSIVE INCOME.*

This line must also equal the amount reported on Quarterly Page 2 Line 6100, TOTAL OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX.

2317 Accumulated Other Comprehensive Income (Loss)

The sum of Lines 2313 and 2314.

Reminder: *This line must equal the amount reported on Quarterly Page 2 Line 6250, ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS).*

2320 TOTAL LIABILITIES AND CAPITAL

The sum of Lines 2050, 2180, 2190, 2310, and 2317.

2.3. NON-CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (PAGE 3 OF FSR)

2.3.1. INTEREST INCOME

3001 Liquidity Investments: Central 1 Credit Union

Interest income earned from Lines 1020 and 1030.

3002 Liquidity Investments: Guaranteed Security Instruments

Interest income earned from Line 1040, Guaranteed Security Instruments.

3003 Liquidity Investments: Deposit Taking Institutions

Interest income earned from Line 1050, Deposits with Deposit Taking Institutions.

3004 Liquidity Investments: Debt Security Instruments

Interest income earned from Line 1060, Debt Security Instruments.

Reminder: *Fair value adjustments for instruments measured at fair value through profit or loss should be reported on Line 3120, NON-INTEREST INCOME: Trading Gains (Losses) on Financial Instruments.*

3005 Liquidity Investments: Non-Guaranteed Commercial Paper

Interest income earned from Lines 1070 to 1073:

- Line 1070, AAA to AA (low) or R1 (high)
- Line 1071, A (high) to A (low) or R1 (middle)
- Line 1072, BBB (high) to BB (low) or R1 (low) to R2 (low)
- Line 1073, Below BB (low) or Below R2 (low)

3008 Liquidity Investments: Securities Secured by Mortgages

Interest income earned from securities secured by mortgages on Lines 1078 and 1079.

3007 Liquidity Investments: Other

For other liquidity investments not included on Lines 3001 to 3005 and Line 3008. Report interest income earned from Line 1080.

3010 Liquidity Investments

The sum of Lines 3001 to 3008.

3020 Other Investments

Income from Investments included on Lines 1110 and 1120.

3030 Loans and Leases - Personal: Real Estate Secured (Excluding Lines of Credit)

Interest income from Loans included on Lines 1150, 1160 and 1170. Line of Credit interest income for this category is to be included on Line 3060.

3040 Loans and Leases - Personal: Otherwise Secured (Excluding Lines of Credit & Leases)

Interest income from Loans included on Lines 1180 and 1190. Line of Credit interest income for this category is to be included on Line 3060, and personal leases interest income for this category is to be included on Line 3047.

3047 Loans and Leases - Personal: Leases

Interest income from Leases included on Line 1187.

3050 Loans and Leases - Personal: Unsecured (Excluding Lines of Credit)

Interest income from Loans included on Line 1200. Line of Credit interest income for this category is to be included on Line 3060.

3060 Loans and Leases - Personal: Lines of Credit

Interest income from Lines of Credit included on Lines 1150 to 1200.

3070 Loans and Leases - Commercial: Real Estate Secured (Excluding Lines of Credit)

Interest income from Loans included on Lines 1210, 1220, 1230 and 1240. Line of Credit interest income for this category is to be included on Line 3100.

3080 Loans and Leases - Commercial: Otherwise Secured (Excluding Lines of Credit & Leases)

Interest income from Loans included on Lines 1250 and 1260. Line of Credit interest income for this category is to be included on Line 3100, and commercial leases interest income for this category is to be included on Line 3087.

3087 Loans and Leases - Commercial: Leases

Interest income from Leases included on Line 1257.

3090 Loans and Leases - Commercial: Unsecured (Excluding Lines of Credit)

Interest income from Loans included on Lines 1270 and 1280. Line of Credit interest income for this category is to be included on Line 3100.

3100 Loans and Leases - Commercial: Lines of Credit

Interest income from Lines of Credit included on Lines 1210 to 1280.

3102 Loans and Leases – Securitizations: Personal

Interest revenue from securitization transactions included on Lines 1284, and 1288.

3103 Loans and Leases – Securitizations: Commercial

Interest revenue from securitization transactions included on Lines 1286, and 1289.

3110 Interest Rate / Foreign Exchange Contracts – Net

Interest income received or receivable less interest expense paid or payable from financial instruments (financial instruments include interest rate swaps, forward rate agreements, futures, options, and other derivatives), and fees received or paid are to be reported here.

When accounting for financial instruments (i.e., recognition, measurement and presentation) refer to IFRS guidelines.

Reminder: *Realized gains or losses attributed to financial instruments are to be reported on Line 3120, NON-INTEREST INCOME: Trading Gains (Losses) on Financial Instruments.*

Net revenues (expenses) from foreign currency exchange must be reported on Line 3304, NON-INTEREST INCOME: Member Services: Others – Net.

3130 INTEREST INCOME

The sum of Lines 3010 to 3110.

2.3.2. INTEREST EXPENSE

3140 Borrowings: Central 1 Credit Union – Operating Account

Interest expense on Central 1 Credit Union Operating Account borrowings included on Line 2010.

3150 Borrowings: Central 1 Credit Union - Term

Interest expense on Central 1 Credit Union term borrowings included on Line 2020.

3157 Borrowings: Securitizations

Interest expense from securitization transactions included on Line 2027.

3160 Borrowings: Other

Interest expense on non-Central 1 Credit Union borrowings included on Line 2030.

3170 Demand: Chequing

Interest expense on deposits included on Line 2060.

3190 Demand: Savings – Regular

Interest expense on deposits included on Line 2080.

3210 Demand: Savings – High Interest Savings

Interest expense on deposits included on Line 2100.

3220 Demand: Registered Plans

Interest expense on deposits included on Line 2110.

3230 Demand: Other

Interest expense on deposits included on Line 2120.

3240 Term: Redeemable

Interest expense on deposits included on Line 2130.

3247 Term: Non-redeemable

Interest expense on deposits included on Line 2137. Includes interest expense on index-linked term deposits.

3250 Term: Registered Plans

Interest expense on deposits included on Line 2140.

3260 Term: Other

Interest expense on deposits included on Line 2150.

3270 Non-Equity Share Dividends

Dividend expense on Non-Equity Shares included on Line 2160.

3275 Interest Expense on Lease Liability

Interest expense on Lease Liability related to Right-of-Use Assets included on Line 2189.

Reminder: Depreciation / amortization expense on Right-of-Use Assets must be included on Line 3390, *NON-INTEREST EXPENSES: Depreciation / Amortization*.

3280 Subordinated Debentures / Debt

Interest expense on CUDIC / SCCU Subordinated Debentures included on Line 2250 and Other Subordinated Debt included on Line 2290.

3290 INTEREST EXPENSE

The sum of Lines 3140 to 3280.

3300 NET INTEREST INCOME

Line 3130 minus Line 3290.

3400 IMPAIRMENT CHARGES ON LOANS AND LEASES

All impairment expense provisions on loans and leases (actual or accrued).

Reminder: *Any loss expenses or recoveries on Property Held for Investments or Property Acquired in Settlement of Loans and Leases are to be included on Lines 3340 and 3410, respectively.*

2.3.3. NON - INTEREST INCOME

3301 Member Services: Deposit Account Services - Net

Revenues and costs for all types of deposit account related services of the credit union are to be netted here, i.e., service charges, account activities charges, stop payment, returned cheques charges, trustee fees paid to Central 1 Credit Union 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.

3302 Member Services: Loan and Lease Fees - Net

Revenues and costs for all types of lending and leasing related services of the credit union are to be netted here, 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 are to be reported in Loan Interest Income.

Reminder: *All loan origination fees that are considered to be adjustments to loan yield are recognized using the effective interest rate method and are to be reported on the appropriate Loan Interest Income lines.*

Revenues and expenses from subsidiaries and other equity investments 10% or greater are to be included on Lines 3320 and 3330, INCOME (LOSS) FROM EQUITY INVESTMENTS – 10% OR GREATER.

3303 Member Services: Wealth Management & Trust Services - Net

Revenues and costs for all types of wealth management and trust related services of the credit union are to be netted here, i.e., 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/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.

Reminder: *Revenues and expenses from subsidiaries and other equity investments 10% or greater are to be included on Lines 3320 and 3330, INCOME (LOSS) FROM EQUITY INVESTMENTS – 10% OR GREATER.*

3304 Member Services: Others - Net

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 on Lines 3301 to 3303.

Reminder: *Revenues and expenses from subsidiaries and other equity investments 10% or greater are to be included on Lines 3320 and 3330, INCOME (LOSS) FROM EQUITY INVESTMENTS – 10% OR GREATER.*

3310 Member Services

The sum of Lines 3301 to 3304.

3120 Trading Gains (Losses) on Financial Instruments

Fair value through profit or loss amounts, realized gains (losses) from sale of financial instruments, including securities, interest rate swaps, forwards, futures, foreign exchange, equity, and other derivative contracts held for trading purposes.

Reminder: *Gains (losses) on the disposal of Property Held for Investments included on Line 1360 are to be reported on Line 3480, Capital Gain (Loss).*

Realized gains (losses) on credit union originated securitized assets are to be included on Line 3302, NON-INTEREST INCOME: Member Services: Loan and Lease Fees – Net.

3340 Other

Net Proceeds (income less expense) from Property Held for Investments (including property write-downs or write-offs occurring subsequent to acquisition by the credit union, any depreciation / amortization expense on Property Held for Investments included on Line 1360, and any changes in the fair value of Property Held for Investments). Also include income from rent received on Premises & Equipment, fair value decreases in Premises & Equipment, dividends on savings / loan insurance, income from Equity Investments - Less than 10% Ownership, and any other income not included on Lines 3301 to 3310, and Line 3120.

Reminder: *Gains (losses) on the disposal of Property Held for Investments included on Line 1360 are to be reported on Line 3480, Capital Gain (Loss).*

3350 NON-INTEREST INCOME

The sum of Lines 3310, 3120, and 3340.

2.3.4. NON - INTEREST EXPENSES

3360 Salaries & Benefits

All salaries and benefits of credit union staff, both full-time and part-time, including actual or accrued year end salary bonuses or other forms of incentive remuneration.

3370 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 any other related expenses. Credit any income derived from sale of such services on this line.

Reminder: *Data processing salary expenses must be included on Line 3360, Salaries & Benefits and amortization of computer hardware / software must be included on Line 3390, Depreciation / Amortization.*

Data processing consulting fees from external consultants must be included on Line 3412, Professional Services.

3380 Premises & Equipment

Costs of occupying or operating the premises and equipment included on Line 1330, such as property/contents insurance, property taxes, rent, utilities, repairs & maintenance, janitor services, ATM's, etc. If credit unions lease ATM's, then lease contract costs are reported here.

Reminder: Depreciation / amortization expense on Premises & Equipment must be included on Line 3390, Depreciation / Amortization.

Gains (losses) on the disposal of Premises & Equipment included on Line 1330 are to be reported on Line 3480, Capital Gain (Loss).

3390 Depreciation / Amortization

Depreciation / amortization on Premises & Equipment included on Line 1330 and on Other Intangible Assets included on Line 1408, including amortization of computer hardware / software.

Reminder: Any depreciation / amortization expense on Property Held for Investments included on Line 1360 must be reported on Line 3340, NON-INTEREST INCOME: Other. Also, any depreciation / amortization expense on Property Acquired in Settlement of Loans and Leases included on Line 1350 must be reported on Line 3410, Property Acquired in Settlement of Loans and Leases - Net.

Any depreciation / amortization expense on Right-of-Use Assets must be reported on this line.

3410 Property Acquired in Settlement of Loans and Leases - Net

Expenses for all repossessed goods and properties, including property write-downs or write-offs occurring subsequent to acquisition by the credit union, any related depreciation / amortization expense, any changes in the fair value of Property Acquired in Settlement of Loans and Leases included on Line 1350, 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.

Reminder: Gains (losses) on the disposal of Property Acquired in Settlement of Loans and Leases included on Line 1350 are to be reported on Line 3480, Capital Gain (Loss).

3411 Advertising & Promotion

Advertising and promotion related expenses. Also, 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.

Reminder: Donations to charities, foundations, and the community are to be classified on Line 3461, Charitable / Community Donations.

3412 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.

3420 Other

All other non-financial expenses not included on Lines 3360, 3370, 3380, 3390, 3410, 3411, and 3412, 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 & supplies, postage, telephone & communication, collection, FICOM fees, CUDIC / SCCU assessment fees, Central 1 Credit Union dues, filing fees, capital tax expense, etc.

3430 NON-INTEREST EXPENSES

The sum of Lines 3360, 3370, 3380, 3390, 3410, 3411, 3412, and 3420.

3434 OPERATING INCOME (LOSS)

Line 3300 minus Line 3400 plus Line 3350 minus Line 3430.

2.3.5. INCOME (LOSS) FROM EQUITY INVESTMENTS - 10% OR GREATER

3320 Revenue Allocations from Subsidiary Companies - Net

Amounts that have been charged by the credit union to the subsidiary such as management fees, rent, etc. If the amount charged by the credit union to the subsidiary represents a recovery of a cost (i.e., if the credit union rents a building and sublets a portion to its subsidiary) then the recovery from the subsidiary is to be credited against the appropriate credit union expense account. Also, include any dividends received from subsidiaries.

3330 Subsidiary and Other Equity Investment Earnings (Losses) - Net

Credit union's proportional ownership share of subsidiary company and other equity investment year-to-date net earnings (losses) after income taxes using the Equity Method of Accounting.

If the Equity Method of Accounting is not used to account for Equity Investments (10% or Greater Ownership) on the credit union's books, the credit union's booked net earnings (losses) must be adjusted on the FSR to include the credit union's proportional ownership share of any subsidiary company net earnings (losses) after income taxes and after any dividends and after any goodwill and other intangible asset expenses. The adjustment is made on this line, and this Line (Line 3330) must equal Line 4090, EQUITY INVESTMENTS: Post Acquisition Net Earnings (Losses): Year-to-Date of the FSR. Please refer to the description of Lines 4010 to 4100 in the EQUITY INVESTMENTS section of this guide for further details.

Please Note: If the credit union's share of losses of the subsidiary equals or exceeds its value of investment in subsidiary, the credit union should discontinue recognising its share of further losses. After the credit union's value of 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 subsidiary. If the subsidiary 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.

3436 INCOME (LOSS) FROM EQUITY INVESTMENTS - 10% OR GREATER

The sum of Lines 3320 and 3330.

3440 NET OPERATING INCOME (LOSS)

Line 3434 plus or minus Line 3436.

3450 Equity Share Dividends

Year-to-date accrual of Equity Share Dividends expense estimated to be paid or paid at year end.

3460 Patronage Refunds

Year-to-date accrual of Patronage Refunds expense estimated to be paid or paid at year end.

3461 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.

Reminder: 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 classified on Line 3411, **NON-INTEREST EXPENSES: Advertising & Promotion.**

3470 Income Taxes

Year-to-date accrual of Income Tax estimated to be paid / recovered, or paid at year end.

Please note that this line includes income taxes on the non-consolidated credit union's net income before Capital Gains (Losses). Any income tax effect on Capital Gains (Losses) must be included on Line 3480. In addition, any subsidiary company income taxes must be included in the calculation for Line 3330 and Lines 4060 to 4090.

Reminder: Include Capital Tax expense on Line 3420, **NON-INTEREST EXPENSES: Other.**

3480 Capital Gain (Loss)

Any Capital Gain (Loss), net of any income tax effect, on disposal of credit union Premises & Equipment included on Line 1330, on disposal of Property Acquired in Settlement of Loans and Leases included on Line 1350, and on disposal of Property Held for Investments included on Line 1360.

3490 EQUITY SHARE DIVIDENDS, PATRONAGE REFUNDS, CHARITABLE / COMMUNITY DONATIONS, INCOME TAXES, CAPITAL GAIN (LOSS) - TOTAL

The sum of Lines 3450 to 3480.

3500 NET INCOME (LOSS)

Line 3440 plus or minus Line 3490.

Reminder: *This line must equal the amount reported on Line 2220, Primary Capital: Retained Earnings (Deficit): Net Income (Loss) Year-to-Date.*

3600 OTHER COMPREHENSIVE INCOME (LOSS)

Other Comprehensive Income (Loss) for the credit union and any subsidiaries.

If the Equity Method of Accounting is not used to account for Equity Investments (10% or Greater Ownership) on the credit union's books, the credit union's Other Comprehensive Income (Loss) must be adjusted on the FSR to include the credit union's proportional ownership share of its subsidiaries. Please refer to the description of Lines 4010 to 4100 in the EQUITY INVESTMENTS section of this guide for further details.

Reminder: *This line must equal the amount reported on Line 2314, CAPITAL: Accumulated Other Comprehensive Income (Loss): Other Comprehensive Income (Loss) - Year-to-Date.*

This line must also equal the amount reported in Quarterly Page 2 on Line 6100, TOTAL OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX.

3700 TOTAL COMPREHENSIVE INCOME (LOSS)

Line 3500 plus or minus Line 3600.

2.4. NON-CONSOLIDATED STATISTICS (PAGE 4 OF FSR)

2.4.1. EQUITY INVESTMENTS

(Subsidiary(ies) and Other Equity Investment(s) - 10% or Greater Ownership as Calculated Using the Equity Method of Accounting)

This section is to include the aggregate value of all Equity Investments, as calculated using the Equity Method of Accounting, representing a 10% or greater ownership or control in a corporation other than a corporation that carries on the business of:

- i. banking;
- ii. insurance business (other than an insurance agent or insurance adjuster);
- iii. trust business, deposit business, or both;
- iv. broker, underwriter, or dealer in securities.

If your credit union does not have any of these types of Equity Investments, completion of this section is not required.

However, if your credit union has these types of Equity Investments and the Equity Method of Accounting is not used to record the credit union's Equity Investments greater than 10%, adjustments must be made in this section and on the FSR in order to report Equity Investments as calculated using the Equity Method of Accounting.

For a more detailed explanation on the application of the Equity Method of Accounting for your credit union, it is recommended that you consult with your auditor.

Please Note: If the credit union's share of losses of the subsidiary equals or exceeds its value of investment in subsidiary, the credit union should discontinue recognising its share of further losses. After the credit union's value of 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 subsidiary. If the subsidiary 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.

4010 Acquisition Cost

Credit union's original acquisition cost, including goodwill and other intangible assets, of all Equity Investments of 10% or greater as described above.

Reminder: *Amounts funded by the credit union to its subsidiaries by way of a Loan are to be included in the appropriate commercial loan classification (Lines 1210 to 1280).*

4020 Post Acquisition Net Earnings (Losses): To Previous Year End

Credit union's proportional ownership share of its subsidiaries' net earnings (losses) after income taxes and after adjusting for any dividends received and for any goodwill and other intangible assets impairment / amortization expenses, from the date of acquisition to the previous year end, as calculated using the Equity Method of Accounting.

Goodwill & Other Intangible Assets Impairment / Amortization Expenses on these Equity Investments, whether booked or arising upon consolidation, must be netted on this line.

If your credit union does not use the Equity Method of Accounting, then Line 2210, Primary Capital: Retained Earnings (Deficit): Previous Year End, must be adjusted on the FSR. The adjustment to be made to Line 2210 must be equal to this line.

4030 Post Acquisition Net Earnings (Losses): Year-to-Date: Insurance (Gross Revenue)

Credit union's proportional ownership share of its subsidiaries' year-to-date gross revenue from Insurance, from the previous year end to the date of the FSR.

4040 Post Acquisition Net Earnings (Losses): Year-to-Date: Property / Real Estate Development (Gross Revenue)

Credit union's proportional ownership share of its subsidiaries' year-to-date gross revenue from Property / Real Estate Development, from the previous year end to the date of the FSR.

4047 Post Acquisition Net Earnings (Losses): Year-to-Date: Wealth Management / Trust Services (Gross Revenue)

Credit union's proportional ownership share of its subsidiaries' year-to-date gross revenue from Wealth Management / Trust Services, from the previous year end to the date of the FSR.

4050 Post Acquisition Net Earnings (Losses): Year-to-Date: All Other (Gross Revenue)

Credit union's proportional ownership share of its subsidiaries' year-to-date gross revenue from all other sources, from the previous year end to the date of the FSR.

4060 Post Acquisition Net Earnings (Losses): Year-to-Date: Insurance

Credit union's proportional ownership share of its subsidiaries' year-to-date net earnings (losses) from Insurance after income taxes and after adjusting for any dividends received and for any goodwill and other intangible assets impairment / amortization expenses, from the previous year end to the date of the FSR.

Goodwill and other intangible assets impairment / amortization expenses on these Equity Investments, whether booked or arising upon consolidation, must be netted on this line.

4070 Post Acquisition Net Earnings (Losses): Year-to-Date: Property / Real Estate Development

Credit union's proportional ownership share of its subsidiaries' year-to-date net earnings (losses) from Property / Real Estate Development after income taxes and after adjusting for any dividends received and for any goodwill and other intangible assets impairment / amortization expenses, from the previous year end to the date of the FSR.

Goodwill and other intangible assets impairment / amortization expenses on these Equity Investments, whether booked or arising upon consolidation, must be netted on this line.

4077 Post Acquisition Net Earnings (Losses): Year-to-Date: Wealth Management / Trust Services

Credit union's proportional ownership share of its subsidiaries' year-to-date net earnings (losses) from Wealth Management / Trust Services after income taxes and after adjusting for any dividends received and for any goodwill and other intangible assets impairment / amortization expenses, from the previous year end to the date of the FSR.

Goodwill and other intangible assets impairment / amortization expenses on these Equity Investments, whether booked or arising upon consolidation, must be netted on this line.

4080 Post Acquisition Net Earnings (Losses): Year-to-Date: All Other

Credit union's proportional ownership share of its subsidiaries' year-to-date net earnings (losses) from all other sources after income taxes and after adjusting for any dividends received and for any goodwill and other intangible assets impairment / amortization expenses, from the previous year end to the date of the FSR.

Goodwill and other intangible assets impairment / amortization expenses on these Equity Investments, whether booked or arising upon consolidation, must be netted on this line.

4090 Post Acquisition Net Earnings (Losses): Year-to-Date

The sum of Lines 4060 to 4080.

Reminder: *This line must equal the amount reported on Line 3330, INCOME (LOSS) FROM EQUITY INVESTMENTS - 10% OR GREATER: Subsidiary and Other Equity Investment Earnings (Losses) - Net.*

4091 Post Acquisition Accumulated Other Comprehensive Income (Loss): To Previous Year End

Credit union's proportional ownership share of its subsidiaries' Post Acquisition Accumulated Other Comprehensive Income (Loss): To Previous Year End as calculated using the Equity Method of Accounting.

4092 Post Acquisition Accumulated Other Comprehensive Income (Loss): Year-to-Date

Credit union's proportional ownership share of its subsidiaries' Post Acquisition Accumulated Other Comprehensive Income (Loss): Year-to-Date as calculated using the Equity Method of Accounting.

Reminder: *This line must equal the sum of Lines 6051, 6052, 6053, 6054, 6055, 6056, 6057, 6065, and 6075 on the Quarterly Page 2 STATEMENT OF OTHER COMPREHENSIVE INCOME (LOSS).*

4096 Post Acquisition Accumulated Other Comprehensive Income (Loss)

The sum of Lines 4091 and 4092.

4100 VALUE OF EQUITY INVESTMENT

The sum of Line 4010, plus or minus Line 4020, plus or minus Line 4090, plus or minus Line 4096.

Reminder: *This line must equal the amount reported on Line 1380, OTHER ASSETS: Equity Investments - 10% or Greater Ownership. If your credit union does not use the Equity Method of Accounting, then Line 1380, Equity Investments - 10% or Greater Ownership must be adjusted on the FSR. The adjustment to be made is the amount required to adjust the book value of Line 1380 to the amount calculated on this line.*

2.4.2. LOANS AND LEASES IN ARREARS (including Lines of Credit)

4111-4246 LOANS AND LEASES IN AREARS (including Lines of Credit)

Delinquency of all loans and leases, including securitizations, both principal and accrued interest, are to be broken out into the respective Personal / Commercial categories and reported on the appropriate lines (Lines 4111 to 4146 for Personal and Lines 4211 to 4246 for Commercial) in this section. The total amount outstanding, not just the amount of delinquent payments, should be reported on these lines.

Delinquent Lines of Credit, including credit cards, where the outstanding balance is within authorized limits are also to be included on the appropriate Lines in this section. For example, if the outstanding balance of a delinquent Line of Credit exceeds the authorized limit, then the amount of the authorized limit must be included in the appropriate Lines in this section and the amount in excess of the authorized limit must be included on the appropriate Lines of Credit Exceeded lines (Lines 4350 to 4370 for Personal and Lines 4380 to 4400 for Commercial) in the UNAUTHORIZED ADVANCES section.

2.4.3. UNAUTHORIZED ADVANCES

4350-4420 UNAUTHORIZED ADVANCES

All Personal Lines of Credit (including credit cards) Exceeded must be reported on the appropriate Lines 4350 to 4370 and all Commercial Lines of Credit (including credit cards) Exceeded must be reported on the appropriate Lines 4380 to 4400.

The distinction between Lines of Credit Exceeded and Overdrafts is simply that Overdrafts are funds drawn on accounts that have no authorized LOC limits in place at the time of the draws and Lines of Credit Exceeded are funds (or portion of funds) drawn on accounts that exceed authorized LOC limits which are in place at the time of the draws.

Lines of Credit Exceeded (Lines 4350 to 4370 for Personal and Lines 4380 to 4400 for Commercial) must only include the portion of the outstanding Lines of Credit balances, both principal and interest, that exceed the authorized limits.

Overdrafts > 3 days must be entered into either Unsecured - Personal (Line 4410) or Unsecured - Commercial (Line 4420).

2.4.4. UNFUNDED LOANS AND LEASES

All approved but unfunded lines of credit, including credit cards, and loans and leases or portions of loans and leases are to be broken out into the respective Personal / Commercial categories and included on the appropriate lines (Lines 4430 to 4433 & Lines 4470 to 4473 for Personal and Lines 4440 to 4460 & Lines 4480 to 4500 for Commercial) in this section. Unfunded Loans include only the amounts which have not been put on the credit union's books. The amount of existing loans on the credit union's books which are pending maturity or refinancing must not be included here.

4430-4433 and 4440-4460 UNFUNDED LOANS AND LEASES: Lines of Credit

Unfunded Lines of Credit, including credit cards, would be the aggregate of all undrawn portions of authorized Line of Credit limits as calculated using the following example:

	<u>Aggregate Totals</u>
<i>Authorized LOC Limits</i>	<u>\$10,000,000</u>
<i>Outstanding LOC balances *</i>	<u>\$ 7,560,100</u>
<i>Unfunded LOC's</i>	<u>\$ 2,439,900</u>

* *Lines 1155, 1165, 1175, 1185, 1195, 1205, 1215, 1225, 1235, 1245, 1255, 1265, 1275, and 1285.*

The above calculation would be prepared for each Line of Credit category (see Page 1 of the FSR) and aggregated into their respective Personal / Commercial security categories.

Line 4430, Total Unfunded Personal Lines of Credit is a sum of Lines 4431, 4432, and 4433. Line 4445, Total Unfunded Commercial Lines of Credit is a sum of Lines 4440, 4450, and 4460.

4470-4473and 4480-4500 UNFUNDED LOANS AND LEASES: All Other Loans & Leases

The aggregate of all other approved but unfunded loans and leases or portion of loans and leases not included in Lines 4430 to 4433 and 4440-4460 above, broken out into the respective Personal / Commercial security categories. Includes unfunded portion of re-advanceable loans where no official re-approval of new advance is required. In other words, if a member can initiate a re-advance, then include in unfunded loans or if prior credit union approval is required, do not include in unfunded loans.

Line 4472 includes approved but unfunded Personal Leases not included on Line 1187, Loans and Leases: Personal – Otherwise Secured: Leases. Line 4490 includes approved but unfunded Commercial Leases not included on Line 1257, Loans and Leases: Commercial – Otherwise Secured: Leases.

Line 4470, Total Unfunded Personal All Other Loans & Leases is a sum of Lines 4471, 4472, and 4733. Line 4485, Total Unfunded Commercial All Other Loans & Leases is a sum of Lines 4480, 4490, and 4500.

Please note that unfunded commercial progressive draws/interim financing included on Line 4481 below must also be included on Line 4480.

4481 UNFUNDED LOANS AND LEASES: Commercial - All Other Loans & Leases
[Progressive Draws/Interim Financing]

Unfunded Commercial Progressive Draws / Interim Financing, including unfunded commercial construction mortgages.

2.5. NON-CONSOLIDATED STATISTICS (PAGE 5 OF FSR)

2.5.1. CAPITAL

4504-4510 OFF BALANCE SHEET EXPOSURES

Off Balance Sheet Exposures refer to business not reported on the balance sheet of the credit union and includes items such as credit commitments, transaction-related contingencies and interest rate hedges. The Capital Requirements Regulation provides that the weighted value of Off Balance Sheet Exposures is determined by reference to the requirements issued and amended from time to time by the Office of the Superintendent of Financial Institutions Canada for Canadian Banks and federally regulated trust and loan companies.

Letters of Credit include any written undertakings by the credit union authorizing a third party to call upon the credit union for payments under specific terms of the undertakings.

4505 Off Balance Sheet Exposures: Letters of Credit - Unweighted \$

The aggregate unweighted values of any Letters of Credit, as per the Off Balance Sheet Exposures calculation table above.

4506 Off Balance Sheet Exposures: Derivatives - Weighted \$

The aggregate weighted values of any derivative financial instruments (Interest Rate Hedges and Foreign Exchange Rate Contracts), as per the Off Balance Sheet Exposures calculation table above.

Interest Rate Hedges include interest rate swaps, forward rate agreements, purchased options and similar derivative contracts. Credit unions are required to maintain capital for those contracts which have a positive value in the market as well as contracts which have a term to expiry in excess of one year. Please include the total of all counterparty swaps on this schedule even if the off balance sheet risk weight of the counterparty is zero.

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 do so.

4507 Off Balance Sheet Exposures: Derivatives - Unweighted \$

The aggregate unweighted values (notional principal and positive market values) of any derivative financial instruments (Interest Rate Hedges and Foreign Exchange Rate Contracts), as per the Off Balance Sheet Exposures calculation table above.

4508 Off Balance Sheet Exposures: Other - Weighted \$

The aggregate weighted values of Off Balance Sheet Exposures not included on Lines 4504 and 4506 (Guarantees of Indebtedness, Performance Bid Bonds, Commitments, and Other) as per the Off Balance Sheet Exposures calculation table above.

Guarantees of Indebtedness include any written undertakings by the credit union to stand behind the financial obligations of a third party should the third party fail to meet them.

Performance Bid Bonds include any contingencies which are related to the performance of a specific transaction or act.

Commitments include any undrawn commitments. A commitment involves an obligation of a credit union to fund its customer in the normal course of business should the customer seek to draw down the commitment. Normally commitments involve a written contract or agreement and may include a commitment fee, or some other consideration. Any undrawn commitments that can be cancelled at any time, with no conditions, by the credit union do not have to be reported on this line.

Other Off Balance Sheet Exposures include any amounts not included on the Off Balance Sheet Exposures calculation table above.

4509 Off Balance Sheet Exposures: Other - Unweighted \$

The aggregate unweighted values of Off Balance Sheet Exposures not included on Lines 4505 and 4507 (Guarantees of Indebtedness, Performance Bid Bonds, Commitments, and Other) as per the Off Balance Sheet Exposures calculation table above.

4510 Off Balance Sheet Exposures

The sum of Lines 4504, 4506, and 4508.

4520 Concentration Risk Adjustment: Single Parcels of Land

The adjustment for excess investment in single parcels of land (land, buildings and improvements) is to be calculated in accordance with the Capital Requirements Regulation and reported on this line. This calculation is illustrated by the following example:

<i>Land Parcel Description</i>	<i>Land Parcel \$ Book Value</i>	<i>1% of Total Assets *</i>	<i>Excess Investment</i>
<i>Single Parcel #1</i>	<i>\$1,500,000</i>	<i>1,000,000</i>	<i>500,000</i>
<i>Single Parcel #2</i>	<i>575,000</i>	<i>1,000,000</i>	<i>None</i>
<i>Single Parcel #3</i>	<i>300,000</i>	<i>1,000,000</i>	<i>None</i>
<i>Excess Investment in Single Parcels of Land</i>			<i><u>\$500,000</u></i>

** Total assets of credit union are assumed to be \$100 Million.*

6300-6340 Deductions From Capital

The Capital Requirements Regulation sets out the required deductions from capital for Goodwill and Other Intangible Assets (Line 6300), Subsidiary and Other Equity Investments (Line 6310), Excess Investments in Prescribed Businesses (Line 6320), and Other (Line 6330).

Reminder: *Deductions from Capital reported in this section should agree with amounts reported in the Capital Adequacy Return Lines 123-129.*

6300 Deductions from Capital: Goodwill and Other Intangible Assets

All Goodwill and Intangible Assets are subject to being deducted from a credit union's capital whether on the books of the credit union or its subsidiaries.

Goodwill and Intangible Assets on the books of the credit union and its subsidiaries are to be accounted for in accordance with IFRS.

Goodwill is defined under IFRS (IFRS 3: Business Combinations) as “an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized”.

Goodwill is included in the respective Acquisition Cost of the credit union or its subsidiary.

An Intangible Asset is defined under IFRS (IAS 38: Intangible Assets) as “an identifiable non-monetary asset without physical substance”.

Examples of an Intangible Asset include computer software, patents, copyrights, licenses, franchises, and customer lists.

The determination of any required deduction from capital is based on comparing the current book value of goodwill and other intangibles versus the maximum unamortized balance permitted by the Capital Requirements Regulation as outlined below:

- Goodwill and other intangible assets included in the carrying value of an investment in another entity (using the Equity Method of Accounting) are to be deducted on a straight-line basis as follows:
 - acquired on or before January 1, 1997 - the lesser of the current remaining amortization period and 10 years; or
 - acquired after January 1, 1997 - a maximum of 5 years.

These types of goodwill and other intangible assets would commonly apply to a credit union’s subsidiary companies, e.g. insurance agencies.

- Goodwill and other intangible assets that are not included in the carrying value of an investment in another entity (using the Equity Method of Accounting) are to be deducted immediately to the full extent.

Goodwill of this type (or goodwill on the books of the credit union as opposed to goodwill on the books of its subsidiary) does not exist in any credit union at this time, although it may occur at some future date. For example, a credit union purchasing branch business from a bank at a premium over the carrying value of the business purchased.

Intangible assets of this type (or intangible assets on the books of the credit union as opposed to intangible assets on the books of its subsidiary) are not common in credit unions, but nevertheless do exist (i.e. software) and must be deducted from capital to the full extent.

Please note that the maximum amortization periods as set out in the Capital Requirements Regulation to determine the amount of any deductions from capital are for capital calculation purposes only, and an accounting change is not required to be made on the books of the credit union.

Reminder: *This amount may not be the same as Line 1408, OTHER ASSETS: Goodwill and Other Intangible Assets, as Line 1408 excludes any Goodwill and Other Intangible Assets recognized on the books of the credit union’s subsidiaries.*

The following three examples have been provided to assist in the calculation of deductions from capital with respect to any investment in goodwill or other intangible assets:

EXAMPLE 1

The following example outlines a deduction from capital calculation for a credit union that has an equity investment (valued under the Equity Method of Accounting) in a wholly owned insurance agency subsidiary and goodwill (acquired on January 1, 2014) is included in the carrying value of the investment:

Deduction from Capital - Goodwill

Per Regulations:

*Unamortized Goodwill - Jan. 1, 2014..... \$450,000
 divided by..... 5 years
 Minimum Amortization per year \$90,000*

As at December 31, 2017:

*Minimum Goodwill Amort. (\$90,000 x 4 years).. \$360,000
 Maximum Unamortized Goodwill (\$450,000 - \$360,000)...\$90,000*

Per Credit Union Books:

*Fair Value of Goodwill - December 31, 2017:
 Fair Value of Goodwill - January 1, 2017.....\$350,000
 Less: Goodwill Impairment Loss - 2017..... 37,500..\$ 312,500*

DEDUCTION FROM CAPITAL – 2017 **\$ 222,500**

EXAMPLE 2

The second example outlines a deduction from capital calculation for a credit union which has intangible assets that are not included in the carrying value of an investment in another entity and the investment is to be deducted immediately to the full extent.

Let’s assume a credit union purchased computer software on January 1, 2016 for \$500,000 and the software has a definite useful life of 5 years. The software will be amortized on the credit union’s books over 5 years.

Deduction from Capital - Software

Per Regulations:

Unamortized Software - January 1, 2016 .. . \$500,000

As at December 31, 2017:

*Minimum Software Amort. (\$500,000 x 100%) \$500,000
 Maximum Unamortized Software (\$500,000 - \$500,000)..... \$ 0*

Per Credit Union Books:

Unamortized Software - January 1, 2016 \$500,000
 divided by 5 years
 Amortization per year \$100,000

As at December 31, 2017:
 Software Amort. (\$100,000 x 2 years) \$200,000
 Unamortized Software (\$500,000 - \$200,000)..... \$300,000

DEDUCTION FROM CAPITAL – 2017 **\$300,000**

EXAMPLE 3

The final example uses the same assumptions as the previous example except the software is determined to have an indefinite useful life. The software will not be amortized until its life is determined to be no longer indefinite.

Deduction from Capital - Software

Per Regulations:

Maximum Unamortized Software (\$500,000 - \$500,000)..... \$ 0

Per Credit Union Books:

No Impairment Loss was recognized during the period.

Fair Value of Software – December 31, 2017..... \$500,000

DEDUCTION FROM CAPITAL – 2017 **\$500,000**

6310 Deductions From Capital: Subsidiary And Other Equity Investments

Investment – Banks, Trust, or Deposit Business

If the credit union has an investment representing 10% or more of the shares in a corporation which carries on *banking, trust, and/or deposit business*, then a portion of the investment must be deducted. The amount to be deducted is the proportion of the investment that is required for the corporation to achieve an adequate capital base according to the Capital Requirements Regulation. Similarly, a portion of an investment in the debt of such a corporation which would qualify as a capital item must be deducted. Trust and deposit business does not include a cooperative credit society or a central credit union.

Investment in Credential Securities Inc.

The total investment in Credential Securities Inc. subordinated debentures must be deducted.

Investment – Insurance Business, Venture Capital Corporations, etc.

If the credit union has an investment representing 10% or more of the shares of a corporation which carries on one of the noted activities then the total investment must be deducted. Similarly, investment in the debt of such a corporation which would qualify as a capital item must be deducted to the full extent.

Insurance business does not include an insurance agency. Venture capital corporations are defined in Section 141 of the *Financial Institutions Act* and include corporations whose activities are limited to providing corporate debt and equity financing and financial and management consulting services to other corporations in which the venture capital corporation has a financial interest or contemplates acquiring a financial interest.

6320 Deductions from Capital: Excess Investment In Prescribed Businesses

If the value of the credit union's total investment in debt (which would qualify as a capital item) and 10% or more of the shares of corporations carrying on business activities detailed in Sections 6.2(1)(e) and (f) of the Investment and Lending Regulation and Section 141(2)(c) of the *Financial Institutions Act* exceeds 2% of total assets, then the excess must be deducted. The value of the investment in shares is to be based on the Equity Method of Accounting.

Sections 6.2(1)(e) and (f) of the Investment and Lending Regulation includes: mutual fund investment; investment counseling; portfolio management; issuing and operation of credit cards and related services; real property acquisition, holding, development, selling or management; factoring; financial leasing; data processing or information services/systems; business management and advisory services; business of a financial agent; sale of tickets (lottery, transit or other); and acting as agent.

Section 141(2)(c) of the *Financial Institutions Act* refers to an investment in any corporation that carries on a business reasonably ancillary to the business of a financial institution, which has received prior written consent of the Commission.

6330 Deductions from Capital: Other

Report all other deductions from capital not included on Lines 6300 to 6320.

6340 Deductions from Capital

The sum of Lines 6300 to 6330.

6350 Internal Capital Target (%)

Report internal capital target set by your credit union.

2.5.2. LIQUIDITY

6800 Prescribed Liquid Assets

Report prescribed liquid assets (if applicable) as defined in the Liquidity Requirement Regulation of the *Financial Institutions Act*.

2.5.3. OFF BALANCE SHEET ASSETS UNDER ADMINISTRATION

Off Balance Sheet Assets Under Administration are assets that are managed and administered by the credit union under an agreement signed with the clients. The client retains ownership of the assets. Thus, these balances are not recorded on the credit union's balance sheet.

6400 Loans and Leases

Enter the total amount of loans and leases that are treated as a “sale” under IFRS and removed from the credit union’s balance sheet entirely.

Reminder: Do not include loan and lease securitizations that are treated as a “financing” under IFRS and remain on the credit union’s balance sheet.

6407 Syndicated Loans

Enter the aggregate outstanding balance of the portion of all syndicated loans administered by the credit union as lead lender, and syndicated to other financial institutions. Any portion of these loans retained by the credit union and included in its loan portfolio must be included on Line 6500, LOANS: Syndicated Loans.

6410 Mutual and Segregated Funds

Enter only the asset balances of third party mutual funds that are managed and administered by the credit union for its members.

Do not include the asset balance of mutual funds managed and administered by a subsidiary of the credit union.

6420 Trusts and Estates

Enter only the value of trust assets that are managed and administered by the credit union as a trustee, executor or administrator for its members, including estate settlements and family estates.

Do not include the value of trust assets that are managed and administered by a subsidiary of the credit union.

6430 Other

Enter the value of other assets under administration by the credit union which do not qualify to be reported on Lines 6400 through 6420.

6440 OFF BALANCE SHEET ASSETS UNDER ADMINISTRATION

The sum of Lines 6400 to 6430.

2.5.4. LOANS

6500 Syndicated Loans

Enter the aggregate outstanding balance of the portion of all syndicated loans, whether syndicated from other financial institutions or originated by the credit union as lead lender, that the credit union has participated in and included in its loan portfolio.

6510 Mortgage Broker Originated Loans

Aggregate outstanding balance of mortgages and all other loans originated by mortgage brokers and included in the credit union's loan portfolio.

Reminder: *This line must also include mortgage renewals. If the mortgage broker is involved in the renewal process, then the loan balance should be reported on this line. Otherwise, the renewed loan should not be reported on this line.*

2.5.5. DEPOSITS

6600 Deposit Account Balances > \$100,000: Deposits - \$

Total dollar amount held by depositors (members, auxiliary members, and non-member deposits) with aggregate deposit account balances greater than \$100,000. The outstanding dollar amounts held in joint accounts are to be aggregated with the depositors who are the first named members on the joint accounts.

Please note to keep the \$100,000 threshold as a variable in your credit union's information system, as this threshold may change in the future.

The calculation of the total dollar amount held by depositors can be illustrated by the following example:

EXAMPLE

Depositor #1 with one account > \$100,000:

Account #1 deposit balance:	\$119,760	
Amount to include on Line 6600.....		\$119,760

Depositor #2 with one account < \$100,000:

Account #1 deposit balance:	\$84,367	
Amount to include on Line 6600.....		\$ 0

Depositor #3 with more than one account > \$100,000:

Account #1 deposit balance:	\$64,253	
Account #2 deposit balance:	\$24,080	
Account #3 deposit balance:	<u>\$39,120</u>	
Aggregate total deposit balance:	\$127,453	
Amount to include on Line 6600.....		\$127,453

Depositor #4 with more than one account < \$100,000:

Account #1 deposit balance:	\$19,285	
Account #2 deposit balance:	<u>\$30,520</u>	
Aggregate total deposit balance:	\$49,805	
Amount to include on Line 6600.....	\$	0

Total dollar amount to report on Line 6600:.....\$247,213

6610 Deposit Account Balances > \$100,000: Depositors - #

Total number of depositors (members, auxiliary members, and non-member deposits) with aggregate deposit account balances greater than \$100,000.

Please note to keep the \$100,000 threshold as a variable in your credit union’s information system, as this threshold may change in the future.

The calculation of the total number of depositors can be illustrated by the following example:

EXAMPLE

Depositor #1 with one account > \$100,000:

Account #1 deposit balance:	\$119,760	
Number of depositors to include on Line 6610.....		1

Depositor #2 with one account < \$100,000:

Account #1 deposit balance:	\$84,367	
Number of depositors to include on Line 6610.....		0

Depositor #3 with more than one account > \$100,000:

Account #1 deposit balance:	\$64,253	
Account #2 deposit balance:	\$24,080	
Account #3 deposit balance:	<u>\$39,120</u>	
Aggregate total deposit balance:	\$127,453	
Number of depositors to include on Line 6610.....		1

Depositor #4 with more than one account < \$100,000:

Account #1 deposit balance:	\$19,285	
Account #2 deposit balance:	<u>\$30,520</u>	
Aggregate total deposit balance:	\$49,805	
Number of depositors to include on Line 6610.....		0

Total number of depositors to report on Line 6610.....2

6620 Deposit Agent Originated Deposits

Aggregate dollar amount of outstanding deposits originated and acquired through deposit agents.

Reminder: Please note that wholesale deposits (e.g. municipalities, universities, schools, hospitals) acquired through deposit agents should be included on Lines 6640 - 6670. There should be no overlap in amounts reported on Lines 6620 and 6640 - 6670.

6621 Foreign Currency Deposits: US Dollar

Aggregate dollar amount of outstanding deposits held in US currency. Report the Canadian dollar equivalent.

6622 Foreign Currency Deposits: Other Foreign Currency

Aggregate dollar amount of outstanding deposits held in other (non-US) foreign currencies. Report the Canadian dollar equivalent.

6630 Foreign Currency Deposits

The sum of Lines 6621 and 6622.

6640 Wholesale Deposits: Savings Institutions

Aggregate amount of outstanding wholesale deposits from all foreign and Canadian savings institutions. Report the Canadian dollar equivalent.

Wholesale deposits refer to large dollar deposits with a higher interest rate arrangement.

6645 Wholesale Deposits: Savings Institutions [Foreign Currency]

Aggregate amount of outstanding wholesale deposits from foreign (non-Canadian) financial institutions. Report the Canadian dollar equivalent. This amount must be included on Line 6640.

6650 Wholesale Deposits: Municipalities / Governments of Canada

Wholesale deposits from government (municipal, provincial and/or federal).

6660 Wholesale Deposits: Other

All other wholesale deposits (e.g. universities, schools, hospitals) not included on Lines 6640 and 6650.

6670 Wholesale Deposits

The sum of Lines 6640, 6650, and 6660.

Reminder: Please note that deposits originated and acquired through deposit agents, that are not wholesale deposits, should be included on Line 6620. There should be no overlap in amounts reported on Lines 6620 and 6640 - 6670.

2.5.6. BORROWING FACILITIES (\$)

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

6710 Central 1 Credit Union: Borrowing Limit

All approved borrowing facilities with Central 1 Credit Union.

6720 Central 1 Credit Union: Maximum Utilized

Highest balance of the borrowing utilized within the month related to borrowing facilities with Central 1 Credit Union.

6730 Central 1 Credit Union: Average Balance

Monthly average balance of the borrowing utilized related to borrowing facilities with Central 1 Credit Union.

6750 Number of Facilities (#)

The number of borrowing facilities with other financial institutions.

6760 Other Financial Institutions: Borrowing Limit

All approved borrowing facilities with financial institutions other than Central 1 Credit Union.

6770 Other Financial Institutions: Maximum Utilized

Aggregate highest balance of the borrowing utilized within the month related to borrowing facilities with financial institutions other than Central 1 Credit Union.

6780 Other Financial Institutions: Average Balance

Aggregate monthly average balance of the borrowing utilized related to borrowing facilities with financial institutions other than Central 1 Credit Union.

2.5.7. OTHER STATISTICS

4530 Staff – Full Time Equivalent (#)

All full and part time staff of the credit union (do not include subsidiary company staff).

The total staff complement must be reported on this line as a full time equivalent rounded to two decimal places. This calculation is illustrated by the following example:

Assume: full time staff work 150 hours per month

Full time staff10.00

Part time staff:

	<u>Hours Worked</u>
<i>Employee A</i>	<i>48</i>
<i>Employee B</i>	<i>120</i>
<i>Employee C</i>	<u><i>84</i></u>

Total 252

divided by full time hours 150 equals 1.68

Staff - Full Time Equivalent for Month **11.68**

4540 Membership (#)

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

4550 Service Location (#)

The number of locations of the credit union as at the FSR 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, number of location is one. A standalone administrative office, ATM, or call centre does not count as a location.

2.6. QUARTERLY PAGE 1

2.6.1. COMMERCIAL LOAN RISK RATING

5010-5100 Commercial Loan Risk Rating

This section must capture funded loans in your commercial loan portfolio. Individual loans must be risk rated in accordance with the Commercial Loan Risk Rating Guidelines.

The aggregate of all risk rated commercial loans must equal the total/sum of commercial loans reported on Lines 1220, 1230, 1240, 1257, 1260, 1280 and 1289 of the *Monthly Financial & Statistical Return*.

Please note that Line 1210 (Commercial - Real Estate Secured: Insured), Line 1250 (Commercial - Otherwise Secured: Fully Secured by Deposits & Government Securities), Line 1270 (Commercial - Unsecured: Governments & Municipalities), and Line 1286 (Securitizations: Commercial Insured) are not required to be risk rated and reported here as these types of loans are exempt from "risk weighting" as commercial loans when calculating a credit union's capital adequacy position.

2.6.2. LOAN PORTFOLIO DETAIL – INDUSTRY & RESTRICTED

5110-5150 Loan Portfolio Detail – Industry & Restricted

This section must capture the mix of your committed (funded and unfunded) commercial loan portfolio by industry concentrations (agriculture, fishing and hospitality) and the aggregate restricted loans in accordance with the terms of your Investment and Lending Policy. Please note that Lines of Credit outstanding balances must be included on the appropriate lines.

2.6.3. INTEREST RATE RISK

5160-5510 On Balance Sheet Re-Pricing

Data for Lines 5160 to 5510 is extracted from a monthly full balance sheet matching report. (Please refer to Central 1 Credit Union course guide for further information). If you do not have information reports which provide this data, please advise FICOM. Using estimates or ball park figures will only distort interest rate risk assessments.

Please round all dollar amounts to the nearest dollar and round all weighted average yield/costs to two decimal points.

Please note re-pricing is not maturity.

Please ensure that the sum of Lines 5160 to 5240 equals the sum of Lines 5340 to 5420.

Reminder: *Off Balance Sheet Hedging instruments must not be included on lines in the On Balance Sheet Re-pricing section. Off Balance Sheet Hedging instruments must be included only in the next section.*

5160 Non-Interest Rate Sensitive - \$ Assets

Total of non-interest rate sensitive assets.

5170 Variable Rate - \$ Assets

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

5180-5240 Fixed Rate - \$ Assets

Total of all assets with interest rates re-pricing within period specified.

5250-5330 Non-Interest Rate Sensitive - % Yield, Variable Rate - % Yield, Fixed Rate - % Yield

Weighted average yield of non-interest rate sensitive, variable rate and fixed interest rate assets.

5340 Non-Interest Rate Sensitive - \$ Liabilities

Total of non-interest rate sensitive liabilities.

5350 Variable Rate - \$ Liabilities

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

5360-5420 Fixed Rate - \$ Liabilities

Total of all liabilities with interest rates re-pricing within period specified.

5430-5510 Non-Interest Rate Sensitive - % Cost, Variable Rate - % Cost, Fixed Rate - % Cost

Weighted average yield of non-interest rate sensitive, variable interest rate and fixed interest rate liabilities.

5520 - 5790 Off Balance Sheet Hedging (Interest Rate Swaps & Forward Rate Agreements)

This section records Off Balance Sheet interest rate hedge information critical to the measurement of interest rate risk exposure.

Please round all dollar amounts to the nearest dollar and round all weighted average yield/costs to two decimal points.

Please ensure that the sum of Lines 5520 to 5580 equals the sum of Lines 5660 to 5720.

5520 - 5580 Notional Principal (\$) Credit Union Pays Interest On

Total notional principal re-pricing in various time periods which the credit union **pays** interest on.

5590 - 5650 % Interest Credit Union Pays

Weighted average rates of notional principal re-pricing in various time periods which the credit union **pays** interest on.

5660 - 5720 Notional Principal (\$) Credit Union Receives Interest On

Total notional principal re-pricing in various time periods which the credit union **receives** interest on.

5730 - 5790 % Interest Credit Union Receives

Weighted average rates of notional principal re-pricing in various time periods which the credit union **receives** interest on.

Example

If a credit union originates a 5-year mortgage and hedges it with a similar term interest rate swap in which the credit union pays fixed (5-year) and receives a three month floating rate, the credit union has effectively converted a 5-year instrument into a three month instrument.

This hedge is recorded in the off balance sheet subsection as follows:

- *First, the notional \$ principal of the swap is recorded under the "Credit Union Pays Interest On" column in the "Over 4 Years" row (Line 5580). The fixed interest rate the credit union pays is recorded on Line 5650.*
- *Second, the \$ value of the notional principal is recorded under the "Credit Union Receives Interest On" column in the "0-3 Months" row (Line 5660). The floating interest rate the credit union receives is recorded on Line 5730.*

2.7. QUARTERLY PAGE 2

2.7.1. ALLOWANCE FOR IMPAIRMENT – LOANS AND LEASES

IFRS 9: Financial Instruments is effective for annual periods beginning on or after January 1, 2018 and 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 impairment calculation must be based on a three-stage process which reflects the deterioration in credit quality of loans and leases:

Stage 1: 12-Month Expected Credit Losses

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

Stage 2: Lifetime Expected Credit Losses - Not Credit 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

Stage 3: Lifetime Expected Credit Losses - Credit Impaired

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

Allowance for impairment of all loans and leases are to be broken out into the respective Personal / Commercial categories based on the three stages of Expected Credit Losses (ECL) from above and reported on the appropriate Lines (Lines 4800 to 4885 for Personal, Lines 4600 to 4640 for Total Personal, Lines 4900 to 4985 for Commercial, and Lines 4650 to 4690 for Total Commercial) in this section.

Also, a reconciliation of changes in the Allowance for Impairment accounts are to be broken out into the same Personal / Commercial categories (along with the same ECL stages) and reported as follows:

Beginning Balance (from previous year end)

The beginning balance of Allowance for Impairment from previous year end.

Reminder: *These lines must equal the amount reported on Lines ALLOWANCE FOR IMPAIRMENT – LOANS AND LEASES: Ending Balance, from the previous year end FSR.*

Year-to-Date: Provision for Credit Losses

The 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.

Year-to-Date: Loans & Leases Written-Off

The year-to-date amount of loans and leases written off, net of any recoveries previously written-off.

Year-to-Date: Recoveries of Loans & Leases Written-Off

The year-to-date amount of recoveries of loans and leases written off.

Year-to-Date: Other Movements

The 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.

Ending Balance

The sum of the Beginning Balances and all Year-to-Date movements for each ECL stage.

Ending Balances of Allowance for Impairment for Personal Loans & Leases are calculated as follows:

Line 4825 is a sum of Lines 4800, 4805, 4815, 4820, and less 4810.

Line 4855 is a sum of Lines 4830, 4835, 4845, 4850, and less 4840.

Line 4885 is a sum of Lines 4860, 4865, 4875, 4880, and less 4870.

Ending Balances of Allowance for Impairment for Commercial Loans & Leases are calculated as follows:

- Line 4925 is a sum of Lines 4900, 4905, 4915, 4920, and less 4910.
- Line 4955 is a sum of Lines 4930, 4935, 4945, 4950, and less 4940.
- Line 4985 is a sum of Lines 4960, 4965, 4975, 4980 and less 4970.

ALLOWANCE FOR IMPAIRMENT – LOANS AND LEASES: Total Personal

Total Lines of Allowance for Impairment for Personal Loans & Leases are calculated as follows:

- Line 4600 is a sum of Lines 4800, 4830, and 4860.
- Line 4610 is a sum of Lines 4805, 4835, and 4865.
- Line 4620 is a sum of Lines 4810, 4840, and 4870.
- Line 4630 is a sum of Lines 4815, 4845, and 4875.
- Line 4635 is a sum of Lines 4820, 4850, and 4880.
- Line 4640 is a sum of Lines 4825, 4855, and 4885, and also equals the sum of Lines 4600, 4610, 4630, 4635, and less 4620.

Reminder: Line 4640 must equal the amount reported on Line 1300, LOANS AND LEASES: Allowance for Impairment: Personal.

ALLOWANCE FOR IMPAIRMENT – LOANS AND LEASES: Total Commercial

Total Lines of Allowance for Impairment for Commercial Loans & Leases are calculated as follows:

- Line 4650 is a sum of Lines 4900, 4930, and 4960.
- Line 4660 is a sum of Lines 4905, 4935, and 4965.
- Line 4670 is a sum of Lines 4910, 4940, and 4970.
- Line 4680 is a sum of Lines 4915, 4945, and 4975.
- Line 4685 is a sum of Lines 4920, 4950, and 4980.
- Line 4690 is a sum of Lines 4925, 4955, and 4985, and also equals the sum of Lines 4650, 4660, 4680, 4685, and less 4670.

Reminder: Line 4690 must equal the amount reported on Line 1310, LOANS AND LEASES: Allowance for Impairment: Commercial.

2.7.2. OTHER COMPREHENSIVE INCOME (LOSS)

OTHER COMPREHENSIVE INCOME (LOSS)

Gains and losses presented in other comprehensive income and categorized, in accordance with IFRS, as Items That Are or May Be Reclassified Subsequently to Net Income (Loss) or Items That Will Not Be Reclassified Subsequently to Net Income (Loss).

Items That Are or May Be Reclassified Subsequently to Net Income (Loss):

6041 and 6051 Fair Value Reserve (Debt Instruments)

Fair value gain and losses on debt instruments measured at fair value through other comprehensive income, broken down into the respective subsidiaries / consolidated categories. Line 6041 includes the outstanding balances for both the credit union and the credit union's proportional ownership share of its subsidiaries. Line 6051 is for the credit union's proportional ownership share of its subsidiaries only, and is to be included on Line 6041.

6060 and 6065 Cash Flow Hedges

Effective portion of fair value gains and losses on hedging instruments used in cash flow hedges, broken down into the respective subsidiaries / consolidated categories. Line 6060 includes the outstanding balances for both the credit union and the credit union's proportional ownership share of its subsidiaries. Line 6065 is for the credit union's proportional ownership share of its subsidiaries only, and is to be included on Line 6060.

6042 and 6052 Other Gains and Losses

Other gain and losses that are or may be reclassified subsequently to net income (loss), broken down into the respective subsidiaries / consolidated categories. Line 6042 includes the outstanding balances for both the credit union and the credit union's proportional ownership share of its subsidiaries. Line 6052 is for the credit union's proportional ownership share of its subsidiaries only, and is to be included on Line 6042.

6043 and 6053 Income Taxes

Income taxes related to items that are or may be reclassified subsequently to net income (loss), broken down into the respective subsidiaries / consolidated categories. Line 6043 includes the outstanding balances for both the credit union and the credit union's proportional ownership share of its subsidiaries. Line 6053 is for the credit union's proportional ownership share of its subsidiaries only, and is to be included on Line 6043.

Reminder: Record income tax component for Lines 6041, 6060, and 6042 on Line 6043. Record income tax component for Lines 6051, 6065, and 6052 on Line 6053.

Items That Will Not Be Reclassified Subsequently to Net Income (Loss):

6044 and 6054 Fair Value Reserve (Equity Instruments)

Fair value gain and losses on equity instruments measured at fair value through other comprehensive income, broken down into the respective subsidiaries / consolidated categories. Line 6044 includes the outstanding balances for both the credit union and the credit union's proportional ownership share of its subsidiaries. Line 6054 is for the credit union's proportional ownership share of its subsidiaries only, and is to be included on Line 6044.

6045 and 6055 Remeasurements of Defined Benefit Plans

Remeasurements of net defined benefit liability (asset), including actuarial gain and losses, broken down into the respective subsidiaries / consolidated categories. Line 6045 includes the outstanding balances for both the credit union and the credit union's proportional ownership share of its subsidiaries. Line 6055 is for the credit union's proportional ownership share of its subsidiaries only, and is to be included on Line 6045.

6070 and 6075 Revaluation Surplus

Changes in revaluation surplus related to Premises & Equipment and Other Intangible Assets measured at fair value using the revaluation model, broken down into the respective subsidiaries / consolidated categories. Line 6070 includes the outstanding balances for both the credit union and the credit union's proportional ownership share of its subsidiaries. Line 6075 is for the credit union's proportional ownership share of its subsidiaries only, and is to be included on Line 6070.

6046 and 6056 Other Gains and Losses

Other gain and losses that will not be reclassified subsequently to net income (loss), broken down into the respective subsidiaries / consolidated categories. Line 6046 includes the outstanding balances for both the credit union and the credit union's proportional ownership share of its subsidiaries. Line 6056 is for the credit union's proportional ownership share of its subsidiaries only, and is to be included on Line 6046.

6047 and 6057 Income Taxes

Income taxes related to items that will not be reclassified subsequently to net income (loss), broken down into the respective subsidiaries / consolidated categories. Line 6047 includes the outstanding balances for both the credit union and the credit union's proportional ownership share of its subsidiaries. Line 6057 is for the credit union's proportional ownership share of its subsidiaries only, and is to be included on Line 6047.

Reminder: Record income tax component for Lines 6044, 6045, 6070, and 6046 on Line 6047.
Record income tax component for Lines 6054, 6055, 6075 and 6056 on Line 6057.

6100 TOTAL OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX

The sum of Lines 6041, 6060, 6042, 6043, 6044, 6045, 6070, 6046, and 6047.

Reminder: This line must equal the amount reported on Line 3600, OTHER COMPREHENSIVE INCOME (LOSS). This line must also equal the amount reported on Line 2314, CAPITAL: Accumulated Other Comprehensive Income (Loss): Other Comprehensive Income (Loss) – Year-to-Date.

2.7.3. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Lines 6241, 6221, 6242, 6243, 6244, 6245, 6224, 6246, and 6247 for Accumulated Other Comprehensive Income (Loss) mirror the breakout of Other Comprehensive Income (Loss) on Lines 6041, 6060, 6042, 6043, 6044, 6045, 6070, 6046, and 6047 respectively. Lines 6241,

6221, 6242, 6243, 6244, 6245, 6224, 6246, and 6247 include the respective amounts for the credit union and its subsidiaries.

6225 Revaluation Surplus [Credit Union Own Use Property]

The full value of any revaluation surplus on any credit union's 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, must be reported on this line.

For capital adequacy calculation purposes, FICOM is requiring that, for Own Use Property, any fair value gains or losses upon transition to IFRS and subsequent revaluation gains and losses are to be excluded from regulatory capital as these assets are not easily sold without disrupting the operations of the entity.

Any amount reported on this line must be included on Line 6224, ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS): Revaluation Surplus.

6250 ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The sum of Lines 6241, 6221, 6242, 6243, 6244, 6245, 6224, 6246, and 6247.

Reminder: *This line must equal the amount on Line 2317, CAPITAL: Accumulated Other Comprehensive Income (Loss).*

3. ANNUAL FINANCIAL & STATISTICAL RETURN

The *Annual* Financial & Statistical Return is the same as the *Monthly* Financial & Statistical Return except the figures and information reported are based on the year end non-consolidated financial statements. Please note that this FSR does not have to be approved or signed by your Auditor.

APPENDIX I

Capital Items Subject to Discounting

Items must be discounted prior to inclusion in the capital base if there is a fixed date for redemption or repayment. Include in the amount to be discounted any accrued interest, unpaid cumulative dividends, and any declared dividends.

Years to date of repayment, redemption, purchase, or other acquisition	Discount	Proportion to be included in capital base
5 or more, or no specified date of redemption, purchase, or other acquisition	Nil	100%
4 or more, but less than 5	20%	80%
3 or more, but less than 4	40%	60%
2 or more, but less than 3	60%	40%
1 or more, but less than 2	80%	20%
Less than 1	100%	0%

CHARTER NO.:	CREDIT UNION NAME:	NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION (\$) AS AT:
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CASH AND LIQUIDITY INVESTMENTS

Cash		1010	
<i>Central 1 Credit Union:</i>			
Operating Account		1020	
Deposits	[100 days or less]	1035	
Guaranteed Security Instruments		1030	
Deposits with Deposit Taking Institutions	[100 days or less]	1040	
Debt Security Instruments	[1 year or less]	1055	
		1060	
<i>Non-Guaranteed Commercial Paper:</i>			
AAA to AA (low) or R1 (high)		1070	
A (high) to A (low) or R1 (middle)		1071	
BBB (high) to BB (low) or R1 (low) to R2 (low)		1072	
Below BB (low) or Below R2 (low)		1073	
<i>Securities Secured by Mortgages:</i>			
Guaranteed by CMHC		1078	
Other		1079	
Other		1080	
Accrued Interest on Above Items		1090	
Allowance for Impairment		1097	1100

OTHER INVESTMENTS

Equity Shares - Credit Union Centrals		1110	
CUDIC Debentures		1120	
Accrued Interest & Dividends on Other Investments		1130	1140

LOANS AND LEASES

<i>Personal - Real Estate Secured:</i>			
Insured	[LOC]	1155	1150
Residential - 75% of FMV or Less	[LOC]	1165	1160
Residential - Greater than 75% of FMV	[LOC]	1175	1170
<i>Personal - Otherwise Secured:</i>			
Fully Secured by Dep. & Gov't. Sec.	[LOC]	1185	1180
Leases		1187	
All Others	[LOC]	1195	1190
<i>Personal - Unsecured:</i>			
All	[LOC]	1205	1200
<i>Commercial - Real Estate Secured:</i>			
Insured	[LOC]	1215	1210
Residential	[LOC]	1225	1220
Progressive Draws / Interim Financing	[LOC]	1235	1230
All Others	[LOC]	1245	1240
<i>Commercial - Otherwise Secured:</i>			
Fully Secured by Dep. & Gov't. Sec.	[LOC]	1255	1250
Leases		1257	
All Others	[LOC]	1265	1260
<i>Commercial - Unsecured:</i>			
Governments & Municipalities	[LOC]	1275	1270
All Others	[LOC]	1285	1280
<i>Securitized:</i>			
Personal Insured		1284	
Commercial Insured		1286	
Personal Non-Insured	[Leases]	1298	1288
Commercial Non-Insured	[Leases]	1299	1289
Accrued Interest		1290	
<i>Allowance for Impairment:</i>			
Personal	[Specific]	1305	1300
Commercial	[Specific]	1315	1310
			1320

OTHER ASSETS

Premises & Equipment - Net	[Right-of-Use Assets]	1335	1330
Property Acquired in Settlement of Loans and Leases - Net			1350
Property Held for Investments - Net	[Right-of-Use Assets]	1365	1360
<i>Equity Investments:</i>			
Less than 10% Ownership			1370
10% or Greater Ownership			1380
Deferred Income Tax Debits			1390
Derivative Financial Instruments			1407
Goodwill and Other Intangible Assets	[Right-of-Use Assets]	1409	1408
All Other Assets			1410
			1420

TOTAL ASSETS

1430

CHARTER NO.:	CREDIT UNION NAME:	NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION (\$) AS AT:			
BORROWINGS					
<i>Central 1 Credit Union:</i>					
Operating Account			2010		
Term	[Specified]	2025	2020		
Securitized	[NHA-MBS/CMB]	2028	2027		
Other	[Specified]	2035	2030		
Accrued Interest on Borrowings			2040	2050	
DEPOSITS					
<i>Demand:</i>					
Chequing			2060		
Savings - Regular			2080		
Savings - High Interest Savings			2100		
Registered Plans			2110		
Other			2120		
<i>Term:</i>					
Redeemable			2130		
Non-redeemable			2137		
Registered Plans			2140		
Other			2150		
Non-Equity Shares			2160		
Accrued Interest on Deposits & Dividends on Non-Equity Shares			2170	2180	
OTHER LIABILITIES					
Derivative Financial Instruments			2186		
Dormant Deposits			2187		
Other			2188		
Lease Liability			2189	2190	
CAPITAL					
<i>Primary Capital:</i>					
<i>Equity Shares:</i>					
Membership			2191		
Investment	[Discount]	2193	2192		
Transaction	[Discount]	2195	2194		
Preferred	[Discount]	2197	2196		
Other	[Discount]	2199	2198	2200	
Contributed Surplus			2208		
<i>Retained Earnings (Deficit):</i>					
Previous Year End			2210		
Adjustments to Previous Year End			2215		
Net Income (Loss) Year-to-Date			2220		
Deferred Income Tax Credits			2230		
Subordinated Debt - CUDIC / SCCU	[Discount]	2255	2250		
Other			2260		
Dividends to be Paid as Primary Capital			2270		
<i>Secondary Capital:</i>					
<i>Equity Shares:</i>					
Investment	[Discount]	2272	2271		
Transaction	[Discount]	2274	2273		
Preferred	[Discount]	2277	2276		
Other	[Discount]	2279	2278	2280	
Subordinated Debt - Other	[Discount]	2295	2290		
Other			2296		
Dividends to be Paid as Secondary Capital			2300	2310	
<i>Accumulated Other Comprehensive Income (Loss):</i>					
Previous Year End			2313		
Other Comprehensive Income (Loss) - Year-to-Date			2314	2317	
TOTAL LIABILITIES AND CAPITAL				2320	

CHARTER NO.:	CREDIT UNION NAME:	NON-CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (\$) FOR THE PERIOD ENDED:	
INTEREST INCOME			
<i>Liquidity Investments:</i>			
Central 1 Credit Union	3001		
Guaranteed Security Instruments	3002		
Deposit Taking Institutions	3003		
Debt Security Instruments	3004		
Non-Guaranteed Commercial Paper	3005		
Securities Secured by Mortgages	3008		
Other	3007	3010	
Other Investments		3020	
<i>Loans and Leases:</i>			
Personal:			
Real Estate Secured (excluding LOC)		3030	
Otherwise Secured (excluding LOC & Leases)		3040	
Leases		3047	
Unsecured (excluding LOC)		3050	
Lines of Credit		3060	
Commercial:			
Real Estate Secured (excluding LOC)		3070	
Otherwise Secured (excluding LOC & Leases)		3080	
Leases		3087	
Unsecured (excluding LOC)		3090	
Lines of Credit		3100	
Securitized:			
Personal		3102	
Commercial		3103	
Interest Rate / Foreign Exchange Contracts - Net:		3110	3130
INTEREST EXPENSE			
<i>Borrowings:</i>			
<i>Central 1 Credit Union:</i>			
Operating Account		3140	
Term		3150	
Securitized		3157	
Other		3160	
<i>Demand:</i>			
Chequing		3170	
Savings - Regular		3190	
Savings - High Interest Savings		3210	
Registered Plans		3220	
Other		3230	
<i>Term:</i>			
Redeemable		3240	
Non-redeemable		3247	
Registered Plans		3250	
Other		3260	
Non-Equity Share Dividends		3270	
Interest Expense on Lease Liability		3275	
Subordinated Debentures / Debt		3280	3290
NET INTEREST INCOME			3300
IMPAIRMENT CHARGES ON LOANS AND LEASES			3400
NON-INTEREST INCOME			
<i>Member Services:</i>			
Deposit Account Services - Net	3301		
Loan and Lease Fees - Net	3302		
Wealth Management & Trust Services - Net	3303		
Others - Net	3304	3310	
Trading Gains (Losses) on Financial Instruments		3120	
Other		3340	3350
NON-INTEREST EXPENSES			
Salaries & Benefits		3360	
Data Processing / Information Technology		3370	
Premises & Equipment		3380	
Depreciation / Amortization		3390	
Property Acquired in Settlement of Loans and Leases - Net		3410	
Advertising & Promotion		3411	
Professional Services		3412	
Other		3420	3430
OPERATING INCOME (LOSS)			3434
INCOME (LOSS) FROM EQUITY INVESTMENTS - 10% OR GREATER			
Revenue Allocations from Subsidiary Companies - Net		3320	
Subsidiary and Other Equity Investment Earnings (Losses) - Net		3330	3436
NET OPERATING INCOME (LOSS)			3440
Equity Share Dividends		3450	
Patronage Refunds		3460	
Charitable / Community Donations		3461	
Income Taxes		3470	
Capital Gain (Loss)		3480	3490
NET INCOME (LOSS)			3500
OTHER COMPREHENSIVE INCOME (LOSS)			3600
TOTAL COMPREHENSIVE INCOME (LOSS)			3700

CHARTER NO.:	CREDIT UNION NAME:	NON-CONSOLIDATED STATISTICS (\$) AS AT:
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CAPITAL

<i>Off Balance Sheet Exposures:</i>	<u>Unweighted \$</u>	<u>Weighted \$</u>	
Letters of Credit	4505	4504	
Derivatives	4507	4506	
Other	4509	4508	4510
Concentration Risk Adjustment: Single Parcels of Land			4520
<i>Deductions From Capital:</i>			
Goodwill and Other Intangible Assets		6300	
Subsidiary and Other Equity Investments		6310	
Excess Investment in Prescribed Businesses		6320	
Other		6330	6340
Internal Capital Target (%)			6350

LIQUIDITY

Prescribed Liquid Assets	6800
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OFF BALANCE SHEET ASSETS UNDER ADMINISTRATION

Loans and Leases	6400	
Syndicated Loans	6407	
Mutual and Segregated Funds	6410	
Trusts and Estates	6420	
Other	6430	6440

LOANS

Syndicated Loans	6500
Mortgage Broker Originated Loans	6510

DEPOSITS

<i>Deposit Account Balances > \$100,000:</i>			
Deposits - \$		6600	
Depositors - #		6610	
Deposit Agent Originated Deposits		6620	
<i>Foreign Currency Deposits:</i>			
US Dollar		6621	
Other Foreign Currency		6622	6630
<i>Wholesale Deposits:</i>			
Savings Institutions		6640	
Municipalities / Governments of Canada	[Foreign Currency] 6645	6650	
Other		6660	6670

BORROWING FACILITIES (\$)

	Number of Facilities (#)	Borrowing Limit	Maximum Utilized	Average Balance
Central 1 Credit Union		6710	6720	6730
Other Financial Institutions	6750	6760	6770	6780

OTHER STATISTICS

Staff - Full Time Equivalent (#)	4530
Membership (#)	4540
Service Location (#)	4550

CHARTER NO.:	CREDIT UNION NAME:	QUARTERLY PAGES* AS AT:
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*Please include in the monthly return at each quarter-end and in the annual return at year-end.

COMMERCIAL LOAN RISK RATING

	1		2		3		4		5	
Number	5010		5020		5030		5040		5050	
Account \$	5060		5070		5080		5090		5100	

LOAN PORTFOLIO DETAIL - INDUSTRY & RESTRICTED

	Industry			Restricted				
	Agriculture	Fishing	Hospitality	Commercial				
	5110		5120		5130		5150	

INTEREST RATE RISK

On Balance Sheet Re-pricing

	\$ Assets		% Yield		\$ Liabilities		% Cost	
Non-Interest Rate Sensitive	5160		5250		5340		5430	
Variable Rate	5170		5260		5350		5440	
Fixed Rate:								
0 - 3 Months	5180		5270		5360		5450	
4 - 6 Months	5190		5280		5370		5460	
7 -12 Months	5200		5290		5380		5470	
1 - 2 Years	5210		5300		5390		5480	
2 - 3 Years	5220		5310		5400		5490	
3 - 4 Years	5230		5320		5410		5500	
Over 4 Years	5240		5330		5420		5510	

Off Balance Sheet Hedging (Interest Rate Swaps & Forward Rate Agreements)

	Notional Principal (\$) Credit Union Pays Interest On		% Interest Credit Union Pays		Notional Principal (\$) Credit Union Receives Interest On		% Interest Credit Union Receives	
0 - 3 Months	5520		5590		5660		5730	
4 - 6 Months	5530		5600		5670		5740	
7 -12 Months	5540		5610		5680		5750	
1 - 2 Years	5550		5620		5690		5760	
2 - 3 Years	5560		5630		5700		5770	
3 - 4 Years	5570		5640		5710		5780	
Over 4 Years	5580		5650		5720		5790	

CHARTER NO.:	CREDIT UNION NAME:	QUARTERLY PAGES* AS AT:
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*Please include in the monthly return at each quarter-end and in the annual return at year-end.

ALLOWANCE FOR IMPAIRMENT - LOANS AND LEASES

	Personal			Total Personal
	12-Month ECL (Stage 1)	Lifetime ECL-Not Impaired (Stage 2)	Lifetime ECL-Credit Impaired (Stage 3)	
Beginning Balance (from previous year end)	4800	4830	4860	4600
Year-to-Date:				
Provision for Credit Losses	4805	4835	4865	4610
Loans & Leases Written-Off	4810	4840	4870	4620
Recoveries of Loans & Leases Written-Off	4815	4845	4875	4630
Other Movements	4820	4850	4880	4635
Ending Balance	4825	4855	4885	4640
	Commercial			
	12-Month ECL (Stage 1)	Lifetime ECL-Not Impaired (Stage 2)	Lifetime ECL-Credit Impaired (Stage 3)	Total Commercial
Beginning Balance (from previous year end)	4900	4930	4960	4650
Year-to-Date:				
Provision for Credit Losses	4905	4935	4965	4660
Loans & Leases Written-Off	4910	4940	4970	4670
Recoveries of Loans & Leases Written-Off	4915	4945	4975	4680
Other Movements	4920	4950	4980	4685
Ending Balance	4925	4955	4985	4690

OTHER COMPREHENSIVE INCOME (LOSS)

OTHER COMPREHENSIVE INCOME (LOSS)			
Items That Are or May Be Reclassified Subsequently to Net Income (Loss):			
Fair Value Reserve (Debt Instruments)		[Subsidiaries]	6041
Cash Flow Hedges		6051	6060
Other Gains and Losses		6065	6042
Income Taxes		6052	6043
6053			
Items that Will Not Be Reclassified to Net Income (Loss):			
Fair Value Reserve (Equity Instruments)		[Subsidiaries]	6044
Re-measurements of Defined Benefit Plans		6054	6045
Revaluation Surplus		6055	6070
Other Gains and Losses		6075	6046
Income Taxes		6056	6047
6057			
TOTAL OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX			6100

ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Items That Are or May Be Reclassified Subsequently to Net Income (Loss):			
Fair Value Reserve (Debt Instruments)			6241
Cash Flow Hedges			6221
Other Gains and Losses			6242
Income Taxes			6243
Items that Will Not Be Reclassified to Net Income (Loss):			
Fair Value Reserve (Equity Instruments)			6244
Re-measurements of Defined Benefit Plans			6245
Revaluation Surplus			6224
Other Gains and Losses		[Credit Union Own Use Property]	6225
Income Taxes			6246
6247			
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)			6250



Financial
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Financial Institutions Commission

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