

SECURITIES REPORT

PURPOSE

This return provides a detailed breakdown of the securities holdings of deposit-taking institutions.

STATUTORY

Sections 628 and 600 of the Bank Act, Section 495 of the Trust and Loan Companies Act and Section 24 of the Bank of Canada Act.

APPLICATION

This return applies to all institutions.

PUBLICATION

Information from this return is not published.

FREQUENCY

Quarterly - calendar.

CONTACT PERSON

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

REPORTING DATES

This return is to be completed within 45 days of the calendar quarter-end.

CONTACT AGENCY

Bank of Canada.

GENERAL INSTRUCTIONS

This return provides information on securities (Asset 2).

Please ensure that the figures in this return reconcile with the institution's balance sheet.

Report total booked in and outside Canada.

Report all figures net of Allowance for **Expected Credit Losses**, where applicable.

SECTION I - TOTAL SECURITIES

1. (a) Securities Issued by Canada

Securities issued by Canada securities are to be reported on the basis of remaining term-to-maturity.

- (i) Treasury Bills
- (ii) Other securities maturing within 3 years
- (iii) Other securities over 3 years

(b) Securities Guaranteed by Canada

Securities issued by Canada securities are to be reported on the basis of remaining term-to-maturity.

Include:

- Securities of government enterprises that are fully and explicitly guaranteed by the Canada government.
 - (i) Securities maturing within 3 years
 - (ii) Other securities over 3 years

(c) Securities Issued or Guaranteed by Provinces

Report the balance sheet value of holdings of Provincial issued or guaranteed securities broken down into the three categories shown in the return.

- (i) Short-term means, for Securities Issued or Guaranteed by Provinces, any security having an original term to maturity of one year or less.
- (ii) Long-term means, for Securities Issued and Guaranteed by Provinces, any security having an original term to maturity of greater than one year.
- (iii) Corporate shares mean all corporate shares issued or guaranteed by Provinces.

(d) Securities Issued or Guaranteed by Municipal or School Corporations

Report securities issued or guaranteed by Municipal or School Corporations less allowance for expected credit losses where applicable.

Report the balance sheet value of holdings of Canadian municipal or school corporations securities broken down into the three categories shown in the return.

- (i) Short-term means any security having an original term to maturity of one year or less.
- (ii) Long-term means any security having an original term to maturity of greater than one year.
- (iii) Corporate shares mean all corporate shares issued or guaranteed by Municipal or School corporations.

2. Other Securities

Report other Securities less allowance for expected credit losses where applicable.

Report the balance sheet value of holdings of other securities broken into the three categories shown in the return and between resident and non-resident.

- (a) Short-term means any security having an original term to maturity of one year or less.

Of which:

- (i) Own asset backed securities mean securitization made on the assets of the bank.
- (ii) Other asset backed securities mean securitization made on the assets of other institutions and third party assets.

- (b) Long-term means any security having an original term to maturity of greater than one year.

Of which:

- (i) Own asset backed securities mean securitization made on the assets of the bank.
- (ii) Other asset backed securities mean securitization made on the assets of other institutions and third party assets.
- (iii) Own mortgage backed securities mean securitization made on the mortgage assets of the bank.
- (iv) Other mortgage backed securities mean securitization made on the mortgage assets of other institutions and third party assets.

- (c) Corporate Shares

- (i) Mutual fund units mean shares with mutual fund units.
- (ii) Income trust units means shares with income trust units.
- (iii) Other corporate shares

Memo Items

1. Securities guaranteed by Canada

- (a) Federal government business enterprises – short term (original term to maturity of one year or less)
- (b) Federal government business enterprises – long term (original term to maturity of more than one year)
- (c) Own mortgage backed securities
Report holdings of securities that are backed by mortgages of the bank.
- (d) Other mortgage backed securities
Report holdings of securities that are backed by mortgages of other financial institutions.
- (e) Other securities

The sums of the memo items for securities guaranteed by Canada should agree to the sub-total for securities reported under the resident columns, i.e. Securities guaranteed by Canada in Section I, 1(b)(i) and 1(b)(ii).

2. Total Securities

Report Total Securities less allowance for expected credit losses where applicable.

Report the balance sheet values of total securities at amortized cost, fair value through other comprehensive income (FVOCI), fair value option, and fair value through profit or loss (FVPL).

The sums of the memo items for total securities should agree to the total for securities reported under the resident and non-resident columns, i.e. total of Section I 1(a) to (d) and 2(a) and (c).

SECTION II - OTHER SECURITIES DISTRIBUTED BY SECTOR

Report Other Securities distributed by sector less allowance for expected credit losses where applicable.

In Section II, report those securities that are reported in Section I 2(a), 2(b) and 2(c).

Note: The totals reported in Section II must equal Asset 2(b) as reported on the Balance Sheet.

Securities issued by non-residents are to be reported according to the sector distribution stated. Non-residents are individuals, corporations or other organizations (including international and other extra-territorial agencies) not ordinarily resident in Canada. Residential status is to be determined by reference to the recorded address of the individual, corporation or other organization, unless the institution knows that the residential status is different from the recorded address.

The concept of institutional sectors used in this return conforms to the definitions of financial flow sector accounts detailed in the attached Definition of Financial Flow Sectors. This concept is also used in the Non-Mortgage Loans Report and the Return of Deposit Liabilities Classified by Institutional Sectors.

The return also makes use of the 1980 Statistics Canada Standard Industrial Classification (SIC) to identify issuers of securities.

Note that both the Definitions of Financial Flow Sectors and the Statistics Canada Standard Industrial Classification speak only to the Canadian situation. These must be adapted by institutions, as necessary for issuers of securities outside of Canada.

1. (a) Foreign Government

Include:

- all emanations of national, state, district or municipal level governments, outside Canada, that do not have their own borrowing authority.

Exclude:

- securities of government boards, corporations and commissions that are separately constituted and carry on business enterprises. Securities from this latter group are to be reported in item 3(b), Non-financial Corporations, Private, as appropriate.

2. Financial Institutions

(a) Deposit-taking Institutions

Include:

- all deposit-taking institutions in Canada, credit unions and caisses populaires, trust companies and mortgage loan companies.

(b) Other Financial Institutions

Include:

- (i) Call and other short loans to investment dealers and brokers, secured

See SIC, Division K, Group 741.

- (ii) Consumer and business finance companies

See SIC, Division K, Major Group 71.

- (iii) Investment Companies

Include:

- see SIC, Division K, Major Group 72.

Exclude:

- trustee pension funds (class 7291) and other pension funds (class 7299) which are reported under 1(f).

- (iv) Insurance Companies

Include:

- life insurance companies, fraternal benefit societies and property and casualty insurance companies (see SIC, Division K, Major Group 73 - non-government).

- (v) Pension Funds

Include:

- see SIC, Division K, Class 7291 and other pension funds (Class 7299).

- (vi) Other

Include:

- mortgage brokers, security and commodity exchanges and other financial institutions (SIC, Division K, Group 742, 743 and 749);
- foreign public financial institutions that are similar to those operating in Canada;
- loans to foreign central banks or foreign official monetary institutions.

In 2(a) and 2(b) above, include in the non-resident column as appropriate, foreign entities similar to those Canadian entities listed above plus Foreign official monetary institutions such as treasuries, ministers of Finance, finance or corresponding government departments, central banks, stabilization funds, equalization accounts, exchange control authorities or any similar fiscal agencies (including government-owned corporations) which act as government agents and which have an important function or functions similar to those of treasury, central bank or stabilization fund.

3. Non-Financial Corporation

(a) Public sector

Include:

- loans to all emanations of governments that carry on a business or that have their own borrowing authority (see conceptual overview in the Definition of Financial Flow Sectors). A list of Canadian Federal and Provincial enterprises and their subsidiaries compiled by Statistics Canada is included in the Appendix "Definitions of Financial Flow Sectors".
- all Canadian and foreign public corporations in which Canadian or foreign governments hold at least 50 per cent of the voting stock and any subsidiaries of those companies.

Exclude:

- Canada Deposit Insurance Corporation, Canada Mortgage and Housing Corporation, Export Development Canada, Farm Credit Canada, Business Development Bank of Canada and ATB Financial.

(b) Private sector

Include:

- all resident and non-resident corporations and unincorporated businesses except financial institutions and government enterprises reported elsewhere in this report.

(i) Agriculture

See SIC, Division A, Major Groups 01 and 02.

(ii) Fishing and Trapping

See SIC, Division B, Major Group 03.

(iii) Logging and Forestry

See SIC, Division C, Major Groups 04 and 05.

- (iv) Mining, Quarrying and Oil Wells
 - (A) Mining
See SIC, Division D, Major Group 06.
 - (B) Energy - Oil and gas
See SIC, Division D, Major Group 07.
 - (C) Other
See SIC, Division D, Major Groups 08 and 09.
- (v) Manufacturing
 - (A) Food, beverage and tobacco products
See SIC, Division E, Major Groups 10, 11 and 12.
 - (B) Leather, textile and apparel products
See SIC, Division E, Major Groups 17, 18, 19 and 24.
 - (C) Metal products
See SIC, Division E, Major Groups 29 and 30.
 - (D) Transport equipment products
See SIC, Division E, Major Group 32.
 - (E) Petroleum products
See SIC, Division E, Major Group 36.
 - (F) Rubber, plastic and chemical products
See SIC, Division E, Major Groups 15, 16 and 37.
 - (G) Other
See SIC, Division E, Major Groups 25, 26, 27, 28, 31, 33, 35 and 39.
- (vi) Construction/Real Estate
 - (A) Builders and developers - residential
See SIC, Division F, Group 401.

- (B) Builders and developers - commercial
See SIC, Division F, Group 402.
 - (C) Land developers
See SIC, Division F, Class 4491.
 - (D) Real Estate Operators
See SIC, Division L, Major Group 75
 - (E) Other
See SIC, Division F, Major Groups 41 and 42, Group 441 and Class 4499.
- (vii) Transportation, communications and other utilities
- (A) Transportation
See SIC, Division G, Major Group 45.
 - (B) Pipeline transport
See SIC, Division G, Major Group 46.
 - (C) Storage and warehousing
See SIC, Division G, Major Group 47.
 - (D) Communications
See SIC, Division H, Major Group 48.
 - (E) Other utilities
See SIC, Division H, Major Group 49.
- (viii) Wholesale trade
- (A) Apparel
See SIC, Division I, Major Group 53.
 - (B) Other
See SIC, Division I, Major Groups 50, 51, 52, 54, 55, 56, 57 and 59.

- (ix) Retail trade
- (A) Food stores, food beverages and drug stores
See SIC, Division J, Major Group 60.
- (B) Clothing
See SIC, Division J, Major Group 61.
- (C) Furniture
See SIC, Division J, Major Group 62.
- (D) Automotive
See SIC, Division J, Major Group 63.
- (E) Department stores
See SIC, Division J, Major Group 64.
- (F) Other
See SIC, Division J, Major Groups 65 and 69.
- (x) Service
- (A) Hotels
See SIC, Division Q, Major Group 91.
- (B) Restaurants and bars
See SIC, Division Q, Major Group 92.
- (C) Leasing companies
See SIC, Division R, Group 992.
- (D) Other
See SIC, Division L, Major Group 76; Division M, Major Group 77; Division R, Major Group 96 and 97 and Groups 991, 993, 994, 995, 996 and 999.
- (xi) Multiproduct conglomerates
- Include:
- those non-financial private corporations in which no one business, as cited in (i) to (x) above, constitutes more than 50 per cent of the corporation's total activity.

(xii) Other

Include:

- charitable organizations, universities, clubs, religious organizations, etc.
- all health organizations not included in loans to governments (section 2). See SIC, Division N, Major Group 84; Division O, Groups 852, 853, 854, 855 and 859; Division P, Major Group 86; Division R, Major Group 98.

In 3(a) and 3(b) above, include in the non-resident column as appropriate foreign entities similar to those listed above.

Memo Items (as per Section II – Other Securities distributed by Sector)

Report memo items (as per Section II – Other Securities distributed by Sector), less allowance for expected credit losses where applicable.

1. US Government Securities

US government securities are to be reported on the basis of remaining term-to-maturity.

- (a) US government securities – securities with remaining term-to-maturity one year or less
- (b) US government securities – securities with remaining term-to-maturity greater than one year

Exclude:

- Securities of US government agencies and government-sponsored agencies.

2. US Government Agency Securities

- (a) US government agencies are defined as an instrumentality of the US government whose debt obligations are fully and explicitly guaranteed by the full faith and credit of the US government.

Include, among others, debt securities and mortgages-backed securities of the US government agencies

- Export-Import Bank, Federal Housing Administration (FHA), Government National Mortgage Association (GNMA), US Maritime Administration, Small Business Administration (SBA), and notes issued by the Farmers Home Administration (FmHA).

- (b) US government-sponsored agencies are defined as agencies originally established or characterized by the US government to serve public purposes specified by the US Congress but whose debt obligations are not explicitly guaranteed by the full faith and credit of the US government.

Include, among others, debt securities and mortgages-backed securities of the US government-sponsored agencies

- Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Federal Home Loan Bank System (or any member bank), Federal Farm Credit Bank System (or any member bank), Federal Agricultural Mortgage Corporation (Farmer Mac), Federal Land Banks (FLBs), Resolution Funding Corporation, Student Loan Marketing Association (Sallie Mae), US Postal Service, The Financing Corporation, and Tennessee Valley Authority.

Exclude:

- debt securities issued by SLM Corporation, the private-sector corporation that is the successor to the Student Loan Marketing Association and securitized student loans issued by SLM Corporation (or its affiliates).

SECTION III – OF WHICH: SHARES **DISTRIBUTED BY SECTOR**

Report Of which: Shares distributed by sector, less allowance for expected credit losses where applicable.

In Section III, report those shares that are reported in Section I 2(c).

Note: The totals reported in Section III must equal Asset 2(b)(ii) as reported on the Balance Sheet.

DEFINITIONS OF FINANCIAL FLOW SECTORS

Note that the conceptual framework of Financial Flow Sectors set out below speaks only to the Canadian situation.

For three returns (*Non-Mortgage Loans Assets Classified by Institutional Sector; Securities Report; and Deposit Liabilities Classified by Institutional Sector*), the concept of institutional sectors is used. These sectors and a brief explanation of them are:

I. Provincial and/or Municipal Government

Include transactions with social insurance programs operated by governments (e.g., Workmen's Compensation Board), non-trusted public service pension plans operated outside the governmental budgetary framework (e.g., Public Service Superannuation Fund (Ontario)) and public hospitals.

II. Public Financial and Non-Financial Institutions

These are defined as enterprises which are of a commercial nature and charge a price for their goods and services related to their costs of production. Typically, these institutions are engaged in manufacturing, lending, insurance, transportation, communication, the provision of electric power, and the distribution of liquor through provincial liquor boards.

Institutions included in this category typically are characterized by the following:

- (a) the institution must have a statutory basis which directs it to produce a good or a service for sale on the market at a price related cost,
- (b) the institution maintains financial accounts separate from those of the government which established it and charges costs of production against revenue,
- (c) management of the institution is relatively autonomous.

Not included are organizations which:

- (a) are wholly or primarily engaged in the business of effective intergovernmental flows of funds (e.g., Alberta Capital Finance Authority), or
- (b) wholly or primarily engaged in the business of selling their output to the government which established them. Such organizations are included in their respective government sectors.

A. Public Financial Institutions

Include the Canada Deposit Insurance Corporation, Canada Mortgage and Housing Corporation, Export Development Canada, Farm Credit Canada, Business Development Bank of Canada and ATB Financial.

B. Public Non-Financial Enterprises

A list of organizations at the federal and provincial levels is provided in the manual. There is no corresponding list at the municipal level.

The determination for using the municipal category is left at the discretion of the institution.

III. Non-Financial Private Corporations

Includes all corporations and unincorporated branches of foreign corporations operating in Canada, except financial institutions and government enterprises.

IV. Private Financial Institutions

- (a) chartered banks - self-explanatory;
- (b) other deposit-taking institutions - includes credit unions and caisses populaires, trust companies and mortgage loan companies;
- (c) other private financial institutions - includes life insurance companies, fraternal benefit societies, fire and casualty insurance companies, trustee pension plans, investment dealers, mutual funds, closed-ends funds, mortgage investment trusts, sales finance and consumer loan companies, issuers of asset backed securities, and other private financial institutions (such as holding companies, financial leasing companies, venture capital companies and other business finance companies).

V. Unincorporated Business

Includes all businesses which are not incorporated under the law of Canada or a province and which are not unincorporated branches of foreign corporations (see III above).

GOVERNMENT BUSINESS ENTERPRISES

The complete list of Federal and Provincial Government Enterprises can now be found under a new section entitled Government Business Enterprises (GBE).