



CENTRAL BANK OF TRINIDAD & TOBAGO

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**CIRCULAR LETTER TO ALL INSTITUTIONS
LICENSED UNDER THE FINANCIAL INSTITUTIONS ACT, 2008**

REF: CB-OIFI-1738/2012

REPORTING OF GENERAL RESERVES OR PROVISIONS FOR LOSSES ON ASSETS

The Central Bank of Trinidad and Tobago (the Central Bank) wishes to clarify the treatment of general reserves / provisions for losses on assets, as some irregularities were identified during an examination of the CB100 (Capital Adequacy) and CB20 (Monthly Statement of Condition) regulatory returns.

Please be advised that the figure reported under line 30 of the CB100 report should comprise the sum of:

1. General Reserves – Losses on Assets (as per item 330301 on the CB20)
2. General Loan Loss Provision (as per item 140901 on the CB20)
3. General Provision for Security Losses (as per item 131201 on the CB20)

In addition, we ask that you note that general reserves / provisions for losses contribute to a company's qualifying capital, subject to a limit of 1.25% of risk adjusted assets after deductions. The CB100 form has the automatic functionality whereby 1.25 % of total risk adjusted assets is compared with the value inserted at line 30 (PART I-Qualifying Capital) and the appropriate amount to be considered as qualifying capital is taken at line 31 (PART I-Qualifying Capital).

We trust that the information provided helps in clarifying the instructions. Should you require any further assistance, please feel free to submit your queries in writing to:

Mrs. Alisha Corbin
Senior Examiner
Policy and Payments System Unit
Financial Institutions Supervision Department
Central Bank of Trinidad and Tobago
Eric Williams Plaza, Independence Square
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Yours sincerely

Carl Hiralal

INSPECTOR OF FINANCIAL INSTITUTIONS