



March 14, 2005

C.B.20/1

**CENTRAL BANK OF TRINIDAD AND TOBAGO**  
**INSTRUCTIONS**  
**MONTHLY STATEMENT OF CONDITION (C.B.20/1)**

The Monthly Statement of Condition is to be completed by **all financial institutions** at the end of each month and submitted **within twenty (20) working days** of the period to which the Return relates

To:  
**The Chief Economist,  
Attn: Financial Systems Returns,  
Research Department,  
Central Bank of Trinidad & Tobago.**

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**1. UNIT OF MEASUREMENT**

All values are to be reported in TT dollars thousands

**2. TECHNICAL TERMS USED IN CB20 REPORTING**

The compilation of money and banking statistics is based on The International Monetary Fund's (IMF) methodology which calls for the sectorization of the economy between residents and non-residents and a further disaggregation of the "resident" sector. In order to conform to these standards it is important that transactions between with your institution and other institutions be properly classified. In this document the terms in *italics* follow the IMF's usage which may differ from every day usage. Please consult with your instructions for the correct definitions of these terms.

**2.1. Institutional Units**

The sectors of the economy are composed of *institutional units*. *Institutional units* are economic agents which are capable of owning assets, incurring liabilities and engaging in transactions with other economic agents on their own behalf. *Institutional units* are centers of legal responsibility, able to

make economic decisions and can possess (either explicitly or implicitly) a complete set of accounts including a balance sheet of assets and liabilities. There are two types of entities that classify as *institutional units*

- Persons (individuals) or groups of persons in the form of households. In CB20 reporting, transactions with *institutional units* acting in their capacity as individuals or households are included either under *Consumers* or *Unincorporated Enterprises*. In the case of *Unincorporated Enterprises* the actions (or accounts) of the owners of these businesses and the enterprise cannot easily be distinguished
- **Corporations, Quasi corporations, Non Profit Institutions and Governmental Units.** - Legal or social entities that have an existence that is recognized by law or society independent of the persons or entities that may own or control them

## 2.2. Corporations

*Corporations* may be described by different names: corporations, public limited liability companies, public corporations, limited partnerships and so on. Since the laws governing the creation, management and operations of corporations vary from country to country it is impossible to give a universally valid definition of a corporation. However, the typical features of a corporation include:

- That it is a legal entity created for the purpose of producing goods or services whose existence is recognized independently
- That it is collectively owned by shareholders (members of households, governments or other *corporations*) who have the authority to appoint directors
- The existence of the corporation (its name and address) is usually recorded on a special register kept for this purpose.

## 2.3. Quasi Corporations

*Quasi corporations* are unincorporated enterprises which function as *de facto* corporations. A quasi corporation may

- *Either* be an unincorporated enterprise that is operated as if it were a corporation and whose *de facto* relationship to its owner is that of a corporation. These include unincorporated partnerships which are operated as privately owned corporations (for example *large* accounting, legal and architectural unincorporated partnerships) and government units which are engaged in market production and are operated as if they were corporations. Unincorporated partnerships employing more than ten (10) persons full time are generally considered to be quasi corporations. ***This is suggested as a guideline and not as an inflexible rule.***
- *Or* an unincorporated enterprise owned by a non-resident entity which is deemed to be a residential *institutional units* because it engages in production in the country for a significant period of time. Examples of such quasi-corporations include the permanent branches of foreign corporate or unincorporated enterprises and production units which engage in significant amounts of production within Trinidad and Tobago a over significant period of time.

## 2.4. Non Profit Institutions

*Non profit institutions* are legal or social entities created for the purpose of producing goods and services. The "*non profit status*" of the institution does not permit it to be a source of income, profit or other financial gain to those who establish, control or finance the institution. We may distinguish between the following types of non profit institutions:

- *Non Profit Institutions* charging market fees for the goods and services supplied. Such entities are classified as corporations or quasi corporations.
- *Non Profit Institutions* that are mainly funded and controlled by the government. Such entities are included in the **government sector**

- ***Non Profit Institutions Serving Households*** - These are non profit institutions not else classified, which provide goods or services to their members or to other households at fees that are not economically significant . These include
  - Trade unions, professional or learned societies, political parties, churches or religious societies, social, recreational and sports clubs.
  - Charities, relief and aid organizations which rely on voluntary transfers of cash or kind from other *institutional units*.

Transactions with these kinds of institutions are treated as part of the **3.5 Consumer**

## 2.5. Residency

Residency is based on the ***center of economic interest*** of the transactor, rather than nationality, currency or legal definitions. An *institutional unit* has a *center of economic interest* within a country when there exists some location (dwelling, place of production, or other premises) within the ***economic territory*** of the country on, or from which, the unit engages and intends to continue to engage, in economic activities and transactions on a significant scale either indefinitely or over a finite but long period of time. The location need not be fixed so long as it remains within the economic territory.

An *institutional unit* has a *center of economic interest* in a country if the unit has already engaged in economic activities and transactions on a significant scale in the country for one year or more, or if the unit intends to do so. The conduct of economic activities and transactions ***over a period of one year or more*** normally implies a center of interest, but the choice of any specific period of time is not fixed. The *one-year period* is suggested ***only as a guideline*** and not as an ***inflexible rule***.

The ***economic territory*** of a country consists of the geographic area administered by a government within which, persons, goods, and capital circulate freely. Using the criterion of *center of economic interest* enterprises and individuals are considered to be ***residents*** of Trinidad and Tobago if they reside in Trinidad and Tobago for one year or more, and/or are considered to have their ***center of economic interest*** in Trinidad and Tobago. Thus, Trinidad and Tobago's central and local governments, embassies and consulates located abroad, and foreign-owned corporations or quasi corporations engaged in economic activities for significant periods of time in Trinidad and Tobago should be considered resident *institutional units*. Individuals residing in Trinidad and Tobago for over one year and having a center of interest in Trinidad and Tobago are considered residents of Trinidad and Tobago. However, foreign embassies, consulates and their representatives, and international organizations located in T&T should be treated as non-resident entities.

### 2.5.1. General Guidelines on Residency

In most cases, you should have there will be no difficulty in determining the residency status of individuals residing in Trinidad and Tobago for one year or more and having their *center of economic interest* in Trinidad and Tobago.

- It is important to note that if a resident household member leaves the economic territory and returns to the household after a limited period of time, the individual continues to be a resident even if he or she makes frequent journeys outside the economic territory. The individual's *center of economic interest* remains in the economy in which the household is resident. The following categories of such individuals are treated as residents of the country in which their household reside.
  - Travellers or visitors - individuals who leave an economic territory for limited periods of time (less than one year) for business or personal purposes.
  - Workers or employees - individuals who work some or all of the time in economic territories that differ from those of their resident households. Such individuals comprise:
    - workers who may, because of seasonal demand for labour, work part of the year in another country and then return to their households.

- (border workers who regularly (each day) or somewhat less regularly (e.g., each week) cross frontiers to work in neighbouring countries.
  - staff of international organisations who work in the enclaves of those organisations.
  - locally recruited staff of foreign embassies, consulates, military bases, etc.
  - crews of ships, aircraft, or other mobile equipment operating partly or wholly outside an economic territory.
- An individual may cease being a member of a resident household when he or she works continuously for one year or more in a foreign country.
  - A citizen of a foreign country that is employed by an enterprise that is owned by institutional units that are not resident in Trinidad and Tobago should be treated as resident of Trinidad and Tobago if he or she works continuously in Trinidad and Tobago for one year or more.
  - Students should be treated as residents of their countries of origin, as long as they remain members of households in their home countries.
  - Medical patients abroad are also treated as residents of their countries of origin, even if their stays are one year or more, as long as they remain members of households in their countries of origin.

#### 2.5.2. *Residency of Corporations and Quasi Corporations*

A corporation or quasi corporation is a resident of a country (economic territory) when the enterprise is engaged in a significant amount of production of goods and/or services there, or when it owns land or buildings located there. The enterprise must maintain at least one production establishment in the country and must plan to operate the establishment over a significant period of time. In this regard, the *one year or more* guideline is suggested to be applied flexibly.

### 3. SECTOR DEFINITIONS

#### 3.1. General Government

Government units are entities established by political process which have legislative, judicial or executive authority over other *institutional units* in a given area. In The IMF's system the government sector is typically broken down into the following sub sectors

- **Central Government**
- **State Government**
- **Local Government**
- **Social Security Funds** - *Institutional units* which can be found at all levels of government and which exist to provide social insurance. Such programs are intended to provide social benefits to the community out of funds derived from social contributions that are imposed and controlled by the government. These contributions usually involve compulsory contributions by employees or employers or both and the benefits paid to recipients are determined by governmental units

In the case of residents, CB20 reporting also provides for the classification of transactions with

- **Other Government Bodies**
  - *Public Utilities*
  - *Statutory Boards*
  - *State Owned Non Financial Institutions*
- **State Owned Other Financial Institutions**

Additionally, to simplify the reporting on transactions with non-resident government units the CB20 groups such transactors into sectors as outlined below

### **3.1.1. Central Government**

Central Government consist of the *institutional units* making up the central government. It is important to note that the definition of non-resident central governments is wider than the comparable definition of the Trinidad and Tobago Central Government

#### **3.1.1.1. Resident**

Include only transactions (accounts) on behalf of the Accountant General and of those funds which are directly under the responsibility of the Minister of Finance. The Central Government of Trinidad and Tobago also includes all Trinidad and Tobago embassies and consulates located elsewhere.

#### **3.1.1.2. Non-resident**

Include transactions with non-resident central governments and social security funds operating at the central government level. Transactions with non-resident non profit institutions funded mainly by a non-resident central governments are also included in this sector

### **3.1.2. State and / or Local Government**

**State governments** are *institutional units* operating just below the central level and just above the local level. They are *institutional units* whose fiscal and legislative authorities extend only over the individual "states" into which the country is divided. **Local governments** comprise *institutional units* whose fiscal and legislative authority extends over the smallest geographical areas distinguished for administrative purposes. In many small countries there is no proper intermediate level between central and local government. Thus, *State Government* is not a relevant category. It is important to note that the definition of the *Non-resident State and/or Local Government* sub-sector is wider than the comparable definition of the *Trinidad and Tobago's Local Government*

#### **3.1.2.1. Resident**

Include the Port of Spain City Council, San Fernando City Council, Tobago House of Assembly, Borough Councils, Regional Corporations and Civic Centres.

#### **3.1.2.2. Non-resident**

Include transactions with non-resident state and/or local governments and non-resident Non Profit Institutions funded mainly by state or local government units. Also include social security funds operating at the state or local level.

### **3.1.3. Other Government Bodies**

Include transaction with the following kinds of *institutional units* in this sector

- **Public Utilities**
- **Statutory Boards and Similar Bodies**
- **State Owned Non Financial Institutions**

#### **3.1.3.1. Public Utilities**

This grouping is specific to reporting on the Trinidad and Tobago economy and is not relevant for non-resident transactors. **Public Utilities** are placed in the government sector because much of the debt of these institutions is guaranteed by the Trinidad and Tobago Government and their pricing policies may take public policy considerations into account.

##### **3.1.3.1.1. Resident**

Following is a list of Public Utilities as at **December 31, 1994:**

- Port Authority of Trinidad and Tobago
- Public Transport Service Corporation
- Trinidad and Tobago Electricity Commission
- Water and Sewerage Authority

##### **3.1.3.1.2. Non-resident**

Not relevant. Any transaction with non-resident corporations or quasi corporations in industries similar to those described in **3.1.3.1.1 Resident Public Utilities** should be included under ***Non-resident Non Financial Institutions***

### **3.1.3.2. Statutory Boards and Similar Bodies**

This grouping is specific to reporting on the Trinidad and Tobago economy and is not relevant for non-resident transactors. Statutory Boards have one or more of the following characteristics; they have been established by various acts of parliament, are non profit institutions funded mainly by the government and their pricing policies may not be market determined.

#### **3.1.3.2.1. Resident**

Appendix A2 presents is a list of Statutory Boards and Similar Bodies as at **December 31, 1994:**

#### **3.1.3.2.2. Non-Resident**

Not relevant. Any transactions with non-resident *Non Profit Institutions* funded mainly by non-resident governmental units are to be included either under *3.1.1.2. Non-resident Central Government* or *3.1.2.2. Non-resident Local and State Government*. Transactions with ***Non Profit Institutions serving Households*** are to be included under **3.5 Consumers**. Transactions with *non profit institution* engaged in providing goods and non financial services at economically significant fees should be included in **3.4 Privately Owned Non Financial Institutions**.

### **3.1.3.3. State Owned Non Financial Institutions**

Stated Owned Non Financial Institutions include all corporations, quasi-corporations that engage in the production of goods and ***non financial services*** and are wholly (100 per cent) or majority (> 50 per cent) owned by governmental units.

#### **3.1.3.3.1. Resident**

Include the transactions with all resident non-financial corporations and quasi corporations wholly owned or majority owned by the Trinidad and Tobago Government (excluding those firms listed under *3.3.1.1.1 Public Utilities*). A list of these companies is provided in Appendix A3. Please note that because of the governments active divestment program this list is subject to change. An institution belongs to this sector once its principal activities are the provision of ***market goods or non-financial services*** and it is wholly owned or majority owned by the Government of Trinidad and Tobago.

#### **3.1.3.3.2. Non-Resident**

Include all transactions non-resident non financial corporation and quasi corporations which are majority and wholly owned by central, state or local governmental units

#### **3.1.4. State Owned Other Financial Institutions**

Include all transactions with ***Other Financial Institutions*** that are wholly (100 per cent) or majority owned (> 50 per cent) by governmental units

##### **3.1.4.1. Resident**

Appendix A4 contains a list of ***State Owned Other Financial Institutions***.

##### **3.1.4.2. Non-Residents**

Include all transactions with non-resident state owned Other Financial Institutions that wholly (100 per cent) or majority owned (> 50 per cent) by governmental units

## **3.2. Commercial Banks**

Include all depository corporations and quasi-corporations which have liabilities payable on demand, transferable by cheque or otherwise usable for making payments that participate in a common clearing system organized to facilitate the transfer of deposits between them by cheques or other means.

**3.2.1. Resident**

Include all commercial banks licenced by Central Bank of Trinidad and Tobago under the **Financial Institutions Act (1993)** to carry out "*Banking business*" or "*business of banking*". [See The Financial Institutions Act, 1993 Part II Section 4]

**3.2.2. Non-Resident**

Include all transactions with non-resident commercial banks

**3.3. Other Financial Institutions**

Other Financial Institutions include the following types of *institutional units*.

- **Other Depository Corporations** - Corporations and quasi corporations that have liabilities in the form of deposits which may not be readily transferable or in the form of financial instruments such as short term certificate of deposits. These include corporations described as Savings Banks, Buildings and Loan Associations, Credit Unions, Mortgage Banks or Building Societies
- **Other Financial Intermediaries** - Corporations and quasi corporations that may raise funds on financial markets but not in the form of deposits and use them to acquire other kinds of financial assets. These may include investment corporations, venture capital corporations, corporation engaged in financial leasing, hire purchase corporations and other corporations engaged in the provision of personal finance or consumer credit.
- **Financial Auxiliaries** - Corporations and quasi corporations such as securities brokers, loan brokers, flotation companies, insurance brokers etc. Also corporations engaged in discounting or refinancing by financial corporations and companies engaged in the arrangement of hedging instrument such as swaps, options and futures.
- **Insurance Companies and Pension funds** - Insurance companies are incorporated, mutual and other entities whose principal function is to provide life, accident, sickness and other forms of insurance to groups or individuals.

In the case of the "residents" sector, the CB20 also provides for reporting on transactions with **Other Financial Institutions licenced by the Central Bank of Trinidad and Tobago** under the Financial Institutions Act, 1993 to carry out "*Business of a financial nature*" [See The Financial Institutions Act, 1993 Part II Section 5]. See Appendix A5 for a list of these institutions.

**3.3.1. Privately owned Other Financial Institutions**

Include all transactions with non bank and other financial institutions that are wholly (100 per cent) or majority (> 50 per cent) by private institutional units.

**3.3.1.1. Resident**

Include all transactions with privately owned resident licensed Finance Companies, Merchant Banks, Trust Companies, Mortgage Finance Companies, Building Societies, Thrift Institutions, Insurance Companies (Life, Motor and General), Pension Funds, Credit Unions, Home Mortgage Bank and any other private financial institutions.

**3.3.1.2. Non-Resident**

Include all transactions with privately owned non-resident Other Depository Corporations, Other Financial Intermediaries, Financial Auxiliaries and Insurance companies and Pension Funds

**3.4. Privately Owned Non Financial Institutions**

Include transactions with all corporations, quasi corporations and unincorporated businesses whose principal activity is the provision of goods or **non financial** services that are wholly owned or majority owned by private individuals, households or any other private corporations or quasi corporations

**3.4.1. Incorporated Enterprises**

See Section 2 for definition of corporations, quasi-corporations

#### **3.4.1.1. Resident**

Include all resident private wholly (100 per cent) or majority (> 50 per cent) corporations and quasi-corporations (commercial and industrial firms, branches of foreign companies and organizations of those companies) irrespective of the residence of the owners (shareholders).

#### **3.4.1.2. Non-resident**

Include all non-resident private wholly (100 per cent) majority (> 50 per cent) Non Financial Institutions. Also include branches or agencies of international organization (e.g. Embassies, United Nations etc.)

#### **3.4.2. Unincorporated Enterprises**

See Section 2 for a definition of unincorporated enterprise

##### **3.4.2.1. Resident**

Include all business firms which are not registered as an incorporated enterprise such as sole traders and small business partnerships and trading associations. Large unincorporated partnerships are likely to function as corporations and should be included in the *3.4.1. Incorporated Enterprise*. For the breakdown of loans, include loans to individual customers for business purposes such as taxi drivers, self-employed professionals (e.g. Doctors, Hairdressers etc.) or any other loan for which, according to the knowledge of the institution, a commercial or professional purpose is involved. Real Estate mortgage loans to individuals for constructing a house specifically for rental purposes should be classified as unincorporated enterprise loans.

##### **3.4.2.2. Non-Resident**

Include all transactions with all non-resident unincorporated enterprises.

### **3.5. Consumers**

This sector is designed to capture the sources and use of finance by the household sector for the purpose of consumption. The household sector includes the individual members of households as well as *Non Profit Institutions Serving Households*.

#### **3.5.1. Resident**

Include all transactions with resident individuals other than those loans/deposits which are covered by *3.4.2 Unincorporated Enterprises*. Include all loans/deposits of resident *Non-Profit Institutions Serving Households*. Subsidiaries of non-profit institutions serving households producing goods and non financial services with separate accounting records and operating as profit-making establishments should be treated as a privately owned quasi corporation and included in *3.4.1 Private Non Financial Institution* (see Section 2 for a definition of Non Profit Institution)

#### **3.5.2. Non-resident**

Include all consumer loans/deposits with non-resident individuals and *Non Profit Institutions serving households*

## **4. CLASS 1 - ASSETS**

Total of all those accounts which represent a "claim on" or "ownership of" by the reporting institution.

### **ACCOUNT 11 - LIQUID FUNDS**

Represents all those assets in the form of cash and those that can be easily converted into cash. Includes Cash; Deposits at Central Bank; Due from Banks; Cash items in process of collection.



***Sub-Account 1101 - Cash***

Includes all local and foreign **currency** in the form of bank notes and coins held by the financial institutions on the reporting date. Also includes postage stamps.

***Sub-Account 1102 - Deposits at Central Bank***

*Item 110201 - Primary Deposits*

Represents total cash reserve balances held at the Central Bank as required by the Central Bank Act 1964 or Part 5 of the Financial Institutions Act 1993.

*Item 110202 - Special Deposits*

Represents cash balances held in an interest-bearing account at the Central Bank.

***Sub-Account 1103 - Due From Banks***

***For Commercial Banks Only***

This item represents all liquid asset balances due from other commercial banks, both resident and non-resident, arising from the maintenance of operational accounts with the reporting bank.

Includes the gross credit balances on accounts of the reporting commercial bank held with other banks. Do not include unavailable balances with closed or liquidated commercial banks. Also includes the overdrawn operating balances of the other banks, both resident and non-resident, maintained with the reporting commercial bank.

Liquid liability balances due to other commercial banks, representing either other commercial banks' operational deposits or the reporting commercial banks' overdrawn balances, should be reported under **Account 2402 - Borrowings, Commercial Banks. Liquid liability balances should not be offset against liquid asset balances.**

Asset/Liability balances arising from operational accounts maintained by non-bank financial institutions with the reporting bank should not be reported under this account but included under Account 14 Loans - 140101 Overdrafts or Account 21 Deposits - 2101 Demand Deposits.

***For Non-Bank Financial Institutions Only.***

This account represents the gross value of all credit balances in current operational accounts maintained with commercial banks. **Debit balances** should be reported as **Borrowings, Account 2402 and should not be offset against credit balances.**

***Sub-Account 1104 - Cash Items in the Process of Collection***

Include cheques in process of collection, drawn on other banks which are payable immediately upon presentation and cheques on hand which will be forwarded for collection on the following business day (that is, outward clearings on other banks). Cheques drawn on other banks which have been deposited in the reporting commercial bank or in any of its branches and have been forwarded to other branches of the reporting commercial bank for collection should be reported under this item.

**Do not include** under this item, non-cash collections, credit card slips forwarded for processing, items appearing on the reporting commercial bank's books as "due from commercial banks" or commodity or bill of lading drafts payable upon arrival of goods against which they are drawn, whether or not deposit credit has been given to the customer. If deposit credit has been granted, such amounts should be reported as **Loans under Account 14**. If received by a bank on a collection basis, they should not be included on the reporting banks' statement until such times as the funds have actually been collected.

**ACCOUNT 12 - INTER-BANK FUNDS SOLD**

#### ***For Commercial Banks Only***

Include as Inter bank Funds-Sold all transactions with **Commercial Banks** involving immediately available funds for **one to fifteen calendar days** at a specified rate of interest. Inter-bank Funds may be secured or unsecured, or may be in the form of repurchase agreement. Inter-Bank Funds do not include continuing operational demand balances which should be recorded under item **1103 for Debit balances** and item **2402 Credit balances**.

All continuing contracts to sell funds, defined as those which remain in effect for more than fifteen days, but have no specified maturity and do not require more than fifteen days advance notice to terminate must also be included under this account. Record all transactions gross, that is, the outstanding balance at the beginning of the reporting period, total new funds sold for the period, total repayments for the period and the outstanding balance at the end of the period.

#### **ACCOUNT 13 - INVESTMENTS**

Represents the total book value of all securities and time deposits held by the reporting institution. Includes Treasury Bills, Government Bonds, Obligations of Statutory Boards and State Enterprises, Time Deposits with banks and other financial institutions, marketable stock and other permissible holdings. **Report all investments net of accrued interest.** Interest accruals on investments should be reported under items 170102 and 170103. For an adequate presentation of the financial statement the balance of this account should be reflected net of **Item 1312 Provision for Security Losses**.

Some of the Sub-Accounts under this category of asset have been further divided into **Marketable** and **Non-Marketable Investments**. Marketable Investments are any investment for which there is either a formal or informal secondary market, that is, the investment could be readily liquidated by the investor. In general, marketable securities would comprise **public** capital market bond issues. In the case of securities issued by resident transactors all **private placements** should be included under **Non Marketable** of the relevant Sub-Account. Appendix B1 contains a list of all securities issued by resident institutional units and their classification. In addition, further guidelines for the classification of marketable securities will be issued by the Central Bank from time to time.

##### ***Sub-Account 1301 - Treasury Bills***

Treasury Bills are short-term government securities with maturities of one year or less issued at a discount from the **Face Value**. Report all treasury bills at **Book Value**.

##### ***Sub-Account 1302 - Central Government Securities***

Report all security holdings issued by **3.1.1 Central Government** .

##### ***Sub-Account 1303 - State and/or Local Government Securities***

Report all security holdings issued by **3.1.2 State and or Local Government** .

##### ***Sub-Account 1304 - Other Government Bodies Securities***

Report all holdings of equities, debentures etc. issued by **3.13. Other Government Bodies** .

##### ***Sub-Account 1305 - State-Owned Other Financial Institutions Securities***

Report all holdings of equities, debentures etc. issued by **3.1.4 State-Owned Other Financial Institutions**. See Appendix 4 for a list the *resident* institutions which fall within this sector.

##### ***Sub-Account 1306 - Privately Owned Other Financial Institutions Securities***

Report all holdings of equities, debentures etc. issued by **3.3.1 Privately Owned Other Financial Institutions**.

##### ***Sub-Account 1307 - Privately Owned Non-Financial Institutions Securities***

Report all holdings of equities, debentures etc. issued by **3.4 Privately Owned Non Financial Institutions**.

***Sub-Account 1308 - Time Deposits***

Include all time deposits with commercial banks or other financial institutions including Certificates of Deposit. **Do not include Inter-bank Funds Sold** for very short periods of time for the purpose of providing liquidity to commercial banks, these should be included under **Account 12 Inter-bank Funds - Sold**.

***Sub-Account 1309 - Quoted Stocks/Shares***

This item shall represent the total book value of all stocks and shares, whether in financial institutions or other companies which are **quoted** on a stock exchange and fall within the following sectors

- Commercial Banks
- Privately Owned Other Financial Institutions
- Privately Owned Non Financial Institutions

***Sub-Account 1310 - Unlisted Stocks/Shares***

This item shall represent the total book value of all stocks and shares, whether in financial institutions or other companies which are **not quoted** on an organised stock exchange but, includes stock traded by Broker/Dealer over the counter.

***Sub-Account 1311 - Investments Not Else Classified***

***Item 131001 - Mutual Funds***

Include investments in facilities for the participation by persons or beneficiaries under a trust or other scheme, in profits or income arising from the acquisition, holding, management or disposal of securities or any other property.

***Item 131002 - Not Else Classified***

Include any other investment not listed above.

***Sub-Account 1312- Provision For Security Losses***

This item shall include the accumulated provision kept by the institution to protect it against possible losses due to a decrease in the market value of its securities. It is deducted from the total book value of marketable securities.

**ACCOUNT 14 - LOANS**

For the purpose of this Report, this account should reflect **the aggregate book value of the Principal balances on all extensions of credit, after deducting Sub-Account 1409 Provision for Loan Losses. All loans data should EXCLUDE add on or unearned interest.** Interest accruals on loans should be reported under Item 170104 - Accounts Receivable - Loans.

Credits are classified according to the type of lending and includes (i) Loans, Advances, Discounts and Credit Cards; (ii) Accounts Receivable Financing; (iii) Real Estate Loans and (iv) Lease Financing.

Rediscounted paper with the Central Bank should be reported in this section. The liability for rediscounted paper should be reflected under **Account 24 "Borrowings"**.

Loans made in association with other financial institutions i.e. "Participation Loans" should be reported on the same basis as other loans initiated by the institution. The amount reported, however, should be only the amount of the reporting institution's share of the facility even if it is the lead institution in the participation arrangement.

Loans made to non-residents which form part of this account are also shown separately under **Account 85, Memoranda Accounts-Loans.**

All loan categories are further sub-divided into eight (8) sectors of borrowers

- **3.1.1. Central Government**
- **3.1.2. State and or Local Government**

- **3.1.3. Other Government Bodies**
- **3.1.4. State Owned Other Financial Institutions**
- **3.2. Commercial Banks**
- **3.3. Other Financial Institutions**
- **3.4. Privately Owned Non Financial Institutions**
- **3.5. Consumers**

***Sub-Account - 1401 - Loans, Advances, Discounts And Credit Cards***

This account includes extensions of credit resulting from direct negotiations between lender and borrower or from the purchase of loan assets from other lenders. These extensions of credit may be in the form of promissory notes, mortgage bills of sale, acknowledgment of advances, due bills, or any other instrument evidencing debt.

Loan types are as follows: Loans, Advances, Discounts and Credit Cards and are classified as to the method of financing - Overdrafts, Demand, Time, Instalment, Discounts and Credit Cards.

*Item 140101 Overdraft*

Include in this item those extensions of credit made in the form of **planned** or **contracted** overdrafts. Overdrawn demand deposit accounts of other commercial banks with the reporting bank should not be reported under this account, but as **Account 1103 - Liquid Funds - Due From Banks**.

*Item 140102 - Demand*

Include the balance of all demand loans i.e. those which are terminable at the option of the borrower or lender and for which interest is calculated on the reducing balance. These loans do not generally carry a prescribed maturity date.

*Item 140103 - Time*

Include all extensions of credit having a fixed maturity with principal repayments to be made in one lump-sum according to the contractual agreement entered into between the reporting institution and the borrower.

*Item 140104 - Instalment*

Represents the outstanding balances on all extensions of credit repayable on an instalment basis, including Hire Purchase loans. Instalment loans are scheduled to be amortized over a specific period with payments being made usually on a monthly or quarterly basis. Most instalment loans are made directly for consumer purposes but business loans may also be made under this type of lending.

Hire purchase loans refer to all instalment loans governed by a Hire Purchase Contract and where the terms of minimum down-payment and maximum re-payment schedules, as outlined in the relevant Central Bank guidelines, are applied.

*Item 140105 - Discounts*

Include under this item the outstanding balance of all commercial bills or other paper such as acceptance of other banks and commercial paper purchased. Acceptances executed by or for the reporting institution and subsequently acquired by it through purchase or discount should also be included.

*Item 140106 - Credit Cards*

Include in this item those extensions of credit resulting from the use of credit card facilities. Transactions relating to company accounts should be recorded in the appropriate sectorial category.

***Sub-Account 1402 - Accounts Receivable Financing***

Represents the total outstanding amounts on the different types of accounts receivable financing an institution may engage in, that is, Factoring, Trade Confirming and Block Discounting.

In accounts receivable financing, borrowers assign their interest in accounts receivable to the lender as collateral. The accounts receivable loan agreement is a contract between the borrower and the lender which sets forth the conditions governing the handling of the account as well as the course of action in the event of default.

*Item 140201 - Factoring*

Includes the total outstanding balances on the discounting of acceptable accounts receivable on a recourse or non-recourse notification basis. However most factoring is done on a non-recourse basis.

Accounts receivable are sold outright to the factor who assumes the full risk of collection and credit losses without recourse to the firms discounting the receivable in the event of loss. Customers are notified to remit directly to the factor. Those firms using factoring services have the privilege of drawing on the net cash proceeds of discounting of accounts receivable before the average due date thereof in which case interest is paid, or at the average due date, in which case, no interest is charged.

*Item 140202 - Trade Confirming*

Includes the total outstanding balances on the provision of credit facilities for the financing of goods, equipment etc. to importers or exporters. In the case of imports, the confirming House usually confirms the order to the supplier on behalf of its client (importer) and accepts responsibility for payment. Terms of payment may be through sight or acceptance letters of credit, sight drafts or open accounts, giving clients up to 180 days for full liquidation.

*Item 140203 - Block Discounting*

Includes the total outstanding balances on Block Discounting. Under this facility, the dealer or retailer is able to arrange loan, hire purchase or conditional sale finance to suit the customer's requirements. Occasionally the retailer will finance the transaction himself and obtain funds by selling 'Blocks' of existing instalment credit agreements to a finance house at a discount. The retailer often continues to collect the instalment on behalf of the finance house.

***Sub-Account 1403 - Real Estate Loans***

Include bridging finance and real estate mortgage loans **made to finance the purchase, development or construction of industrial, commercial, agricultural or residential real estate**. For the purpose of this item construction includes additions or alterations to existing structures.

*Item 140301 - Bridge Financing*

Represents the total amount of loans granted on an interim basis to finance construction, the repayment of which is contingent on the borrower obtaining permanent financing or finding a buyer with sufficient funds to repay the loan. Bridging finance may or may not be secured by a mortgage deed.

*Item 140302 - Real Estate Mortgages*

Include all loans secured by real estate mortgage deeds and other liens on real estate made to finance real estate. **Loans for other purposes even though secured by real estate as collateral should NOT be included in this account but under the appropriate loan type which fits the of the credit arrangement.**

***Sub-Account 1404 - Lease Financing***

A **LEASE** contract grants the use of real estate, equipment, or other fixed assets for a specified time in exchange for payment, usually in the form of rent. The owner of the leased property is called the lessor, the user the lessee. Classes of leases are financial, operating, and capital leases and sale and leaseback agreements.

A **FINANCIAL LEASE** is one in which the service provided by the lessor to the lessee is limited to financing equipment. All other responsibilities related to the possession of equipment, such as maintenance, insurance, and taxes, are borne by the lessee. A financial lease is usually non-cancellable and is fully paid out (*amortized*) over its term.

An **OPERATING LEASE** normally involves equipment, whereby the contract is written for considerably less than the life of the equipment and the lessor handles all maintenance and servicing; also called *service lease*. Operating leases are the opposite of capital leases, where the lessee acquires essentially all the economic benefits and risks of ownership. Common examples of equipment financed with operating leases are office copiers, computers, automobiles, and

trucks. Most operating leases are cancellable, meaning the lessee can return the equipment if it becomes obsolete or is no longer needed.

A **CAPITAL LEASE** generally applies to leases where the lessee acquires essentially all of the economic benefits and risks of the leased property.

**SALE AND LEASEBACK** is an arrangement in which a company sells an asset to another party in exchange for cash, then contracts to lease the asset for a specified term. Typically, the asset is sold for its MARKET VALUE, so the lessee has really acquired capital that would otherwise have been tied up in a long-term asset.

For reporting purposes include the outstanding balance on all agreements in respect of finance leases, that is, where the fixed assets are not recorded on the balance sheet of the reporting institution.

***Sub-Account 1409 - Provision For Loan Losses***

This item should include the accumulated provision kept by the institution to protect it against possible losses in its loan portfolio. This balance is increased by the amount charged against income in each period for the purpose of increasing the provision and decreased by the amount of loan recoveries in each period. The Provision is comprised of two separate items - a general loan loss provision and a specific loan loss provision.

*Item 140901 - General Loan Loss Provision*

The **general loan loss provision** should cover any possible or expected loss in the loan portfolio. Management determination of an adequate general provision is an estimate. Policy should establish the guidelines for determining the general provision and the mechanisms necessary to insure its adequacy. Some institutions set aside as provision a percentage of their total loans, others consider the following factors - Amount of loans criticized during the last loan review; excess or deficiency of provision for possible loan losses over actual amount of such losses for the past three years; loan loss experience, charge offs and recoveries in the past three years; past due percentage; and concentration of loans in specific economic sectors which could face problems in the future.

*Item 140902 - Specific Loan Loss Provision*

The **specific loan loss provision** should be increased when a specific loan is classified as non-performing. When a loan is classified as non-performing, the **Income and Expenditure Account (C.B.40/1)** is debited by increasing **Account 56 Additions (Releases) to Provisions** by the value of the outstanding loan balance **PLUS** interest accrued on that loan **NET** of the realizable value of the loan security. The specific Loan Provision is correspondingly credited with this value.

The classification of a loan as non-performing is determined by the management practices of the reporting institution. However due consideration should be given to (1) the realizable value of security and (2) a conservative past-due (arrears) allowance for each loan type.

**ACCOUNT 15 - CUSTOMERS' LIABILITY ON ACCEPTANCES**

Include the reporting bank's acceptances of its customers' liabilities arising from Bills of Collection (Drafts/Bills of Exchange, both sight and term), letters of credit negotiated and other Bonds, Guarantees and Indemnities accepted. Include only acceptances outstanding, that is, not owned through discount by the reporting bank on the reporting date.

This Account, which for some institutions is treated as a memorandum item, must be reported in the balance sheet as both an **Asset - Account 15** and a **Liability - Account 25 - Acceptances Executed**.

***Sub-Account 1501 - Bills Of Collection***

Reflect the reporting institution's potential liability on the acceptance of Drafts and Bills of Exchange. Do not include bills for which there is no obligation/liability on the part of the reporting institution, that is, when the institution is acting as a **collecting** agent only.

***Sub-Account 1502 - Letters Of Credit***

A **LETTER OF CREDIT (L/C)** is an instrument or document issued by a bank guaranteeing the payment of a customer's drafts up to a stated amount for a specified period. It substitutes the bank's credit for the buyer's and eliminates the seller's risk. It is used extensively in international trade. A **commercial letter of credit** is normally drawn in favor of a third party, called the beneficiary. A **confirmed letter of credit** is provided by a correspondent bank and is guaranteed by the issuing bank. A **revolving letter of credit** is issued for a specified amount and automatically renewed for the same amount for a specified period, permitting any number of drafts to be drawn so long as they do not exceed its overall limit.

Reflects the reporting institution's potential liability on letters of credit issued (Confirmed and Unconfirmed) for account of its customers, in virtue of which, acting according to its client's instructions, the institution obligates itself to pay to a beneficiary or to his order, or to accept or negotiate bills of exchange or drafts drawn by the beneficiary of the letter of credit, authorize that such payment be made, accepted or negotiated by other institutions against delivery of the required documents, in so far as the terms and conditions of the credit are satisfied.

***Sub-Account 1503 - Bonds***

Include under this Sub-Account the potential liability of the reporting institution arising from acceptance of customers' liabilities on bonds.

***Sub-Account 1504 - Guarantees***

Include under this Sub-Account the potential liability of the reporting institution arising from acceptance of its customers' liabilities on guarantees.

N.B. A **GUARANTEE** is any agreement to compensate another party for damage or loss.

***Sub-Account 1505 - Indemnities***

Include under this Sub-Account the potential liability of the reporting institution arising from acceptance of customer liabilities on indemnities.

N.B. An **INDEMNITY** is an agreement to compensate another party for damage or loss incurred.

***Sub-Account 1506 - Bankers Acceptances***

The liability which the bank assumes when accepting negotiable instruments drawn upon it by its customers or by beneficiaries of Letters of Credit. Include all Bankers' Acceptances issued on behalf of customers.

***Sub-Account 1509 - Other***

Include all other customers' liabilities, not included above.

***ACCOUNT 16 - EQUITY IN SUBSIDIARIES AND AFFILIATES***

This Account should include the total equity holdings (at equity cost) in Subsidiaries and Affiliates. **Reporting institutions should not include their share of the reserves and the retained earnings of subsidiaries/affiliates.** The term **Affiliate** for the purpose of this report shall mean any corporation, business association or other similar organization, in which the reporting institution holds between **20 to 50 per cent of the issued capital**. The term **Subsidiary** shall mean any corporation, business association or other similar organization in which the reporting institution holds in excess of **50 per cent of the issued capital**.

Subsidiaries and Affiliates are classified according to their type of business e.g. banks, trust companies, other financial institutions and any other type of business.

***ACCOUNT 17 - ACCOUNTS RECEIVABLE***

Include the amount of interest, commissions, dividends, lease rentals and other income earned or accrued but not yet collected. Also included in this Account are the amounts receivable on the sale of assets, amounts due from shareholders on subscription of the reporting institution's shares to be issued, etc.

For an adequate presentation of the Financial Statements, the balance of this Account should be reflected **Net of Sub-Account 1709 Provisions**.

***Sub-Account 1701 - Interest***

Includes interest earned or accrued but not collected on **Items 170101 - Inter-bank Funds sold, 170102 - Deposits, 170103 - Investments and 170104 - Loans (performing and non-performing)**.

Interest receivable on performing loans should be transferred to income (**Statement of Income and Expenditure - C.B.40/1, Account 41 Interest Income**). Interest receivable on loans which have been classified as non-performing (see **note on Specific Provisions - Sub-Account 140902 and note on Account 56 in the Income and Expenditure Statement**) should not be transferred to income, but debited to **Item 17010402** with a corresponding credit to the **Provision Item 170902 Interest in Suspense**.

***Sub-Account 1702 - Commissions***

Includes income from Commissions earned or accrued but not collected on those accounts which generate commission income.

***Sub-Account 1703 - Dividends***

Include under this item all income earned or accrued but not collected on those investments which generate dividend income.

***Sub-Account 1704 - Lease Rental***

Include rentals earned on **operating leases** but not collected.

***Sub-Account 1705 - Taxation Recoverable***

Include amounts over paid and/or tax refunds claimed. Do not offset against the taxation provision account 2604.

***Sub-Account 1706 - Notes Receivable***

Record at the lower of cost or net realizable value all notes received in consideration for the sale of loans and other assets.

Where the book value of a note exceeds the aggregate value of the underlying assets, such book value shall be written down accordingly.

***Sub-Account 1707 - Money Market Operations***

Record the value of all short term credit instruments placed by the reporting institution on a "wholesale basis" with a maturity period of one (1) day up to and including one (1) year.

Include commercial paper, negotiable certificates of deposits and repurchase agreements.

***Sub-Account 1708 - Other***

Include all other receivables.

***Sub-Account 1709 - Provisions***

This is a credit balance account on the asset side, the purpose of which is to protect the institution against possible losses on receivables.

***Item 170901 - For Losses On Interest Receivable On Loans***

This should include the accumulated provision kept by the institution to protect it against losses already taken into income.

***Item 170902 - Other***

This should include the accumulated provision kept to reflect the fact that interest accrued and reported under **Sub-item 17010402 Non-performing Loans**, should not be taken into income.



## ACCOUNT 18 - FIXED ASSETS

Represents the book value of all the reporting institutions' premises and machinery and equipment (including furniture and fixtures) actually owned by the institution and occupied (or to be occupied) by it or its branches. Include leasehold improvements, vaults and fixed machinery and equipment, remodelling costs to existing premises, parking lots owned and real estate acquired for future expansion.

### ***Sub-Account 1801 - Land And Building***

Include the book value of all land and buildings owned by the reporting institution.

### ***Sub-Account 1802 - Equipment On Lease***

Include the book value of all fixed assets owned by the reporting institution and used for the specific purpose of leasing by means of **Operating Lease** agreements, that is, where the leased assets are reported on the balance sheet of the reporting institution. Where the reporting institution is a **Lessee**, any equipment subject to a **Finance Lease Agreement** should be reported under **Sub-Account 1803 - Other Machinery and Equipment**.

### ***Sub-Account 1803 - Other Machinery And Equipment***

### ***Sub-Account 1809 - Depreciation***

This item should reflect the amount of accumulated depreciation on all fixed assets.

#### *Item 180901 - Fixed Assets*

Includes the amount of accumulated depreciation on those assets which comprise Sub-Accounts 1801 and 1803.

#### *Item 180902 - Amortization On Leased Assets*

Includes the amount of accumulated depreciation on those accounts which comprise **Sub-Account 1802 - Equipment on Lease** only.

## ACCOUNT 19 - PREPAID EXPENSES AND OTHER ASSETS

Includes prepaid expenses and inter-office transactions, as well as those transactions of a transitory nature which are in the process of regularization. **Items in Suspense** should be used only for temporary recording until the offsetting entry is received or fully identified and posted to the proper account. These items should not be allowed to remain in the account for any significant length of time. All difference accounts should be closed at least quarterly.

### ***Sub-Account 1901 - Prepaid Expenses***

Represents cash outlay for goods and services the benefits of which will be realised in future periods.

### ***Sub-Account 1902 - Inter-Office Accounts***

Represents the net asset balance on items **due from** and **due to** Head Office and branches of the reporting institution. Net credit balances should be reported under account **260701 - Branch Clearings and 260702 - Other Balances**.

#### *Item 190201 - Branch Clearings*

The net of inward and outward clearings on branches.

#### *Item 190202 - Other Balances*

The net of all other inter-office balances.

### ***Sub-Account - 1903 - Items In Suspense***

Represents items in temporary holding until the offsetting entry is received or the item is fully identified and posted in the proper account.

### ***Sub-Account 1904 - Adjustments For Reserves At The Central Bank***

**(For Official Use Only)**

Represents any necessary adjustments to an institution's reported reserve balance at the Central Bank (**Sub-Account 1102 - Deposits at Central Bank**) in order to correspond with information reported on Central Bank's balance sheet. **This adjustment is to be made by Research Department staff only.**

**Sub-Account 1909 - Other**

Report all other assets not accounted for including all taxes recoverable.

**CLASS 2 - LIABILITIES**

This class reflects all those accounts which represent obligations by the reporting institution arising from its deposit taking function, borrowings from other financial institutions and other business inherent to the functions of financial intermediation. Includes Deposits, Inter-bank Funds Bought, Central Bank Funds, Borrowings, Bankers' Acceptances Executed, Other Current Liabilities and Long-Term Liabilities.

**Foreign liabilities** refer to all liabilities to non-residents.

**ACCOUNT 21 - DEPOSITS**

Represents the unpaid balance of money received or held by the institution in the usual course of business and for which it has given or is obligated to give credit, either conditionally or unconditionally on a demand, savings or time deposit account.

All Classes of deposits are sub-divided into the eight (8) sector categories - Central Government, Local Government, State Owned Financial Institutions, Other Government Bodies (i.e. State-Owned Non-Financial Enterprises, Public Utilities and Statutory Boards), Commercial Banks, Other Private Financial Institutions (licenced non-banks and other), Private Non-Financial Institutions (Incorporated Businesses, Unincorporated Businesses) and Consumers.

**Sub-Account 2101 - Demand**

Include all deposits which are on current account and therefore withdrawable on demand. Operational demand deposits of other commercial banks should be reported under **Account 2402 - Borrowings from Commercial Banks**. (See note to **Account 1103 - Due from Banks**). Outstanding deposit balances should not be reported net of debit balances since an overdrawn demand account represents an overdraft loan. This refers to accounts with or without overdraft facilities.

*Item 210101 - Non-Interest Bearing (Demand)*

Include all demand deposits which do not attract interest.

*Item 210102 - Interest Bearing (Demand)*

Include all demand deposits on which interest is paid.

**Sub-Account 2102 - Savings**

Savings deposits are interest-earning accounts which are not payable on a specified date. Include **210201 - Ordinary Savings Accounts, 210202 - Special Savings Accounts and 210203 - Cheque Savings Accounts**. Outstanding deposit balances on Cheque Savings Accounts should not be reported net of debit balances since an **Overdrawn Cheque Savings Account represents an Overdraft Loan Account 140101**.

**Sub-Account 2103 - Time**

Time Deposits specify maturity or other withdrawal conditions. They may take the form of certificates of deposits which are evidenced by a negotiable or non-negotiable instrument providing on its face that the amount of such deposit is payable to the bearer, to any specified person or to the order of a specified person on a certain date. Time deposits may also take the

form of open accounts with respect to which there is in force a written contract with the depositor that neither the whole nor any part of such deposit may be withdrawn prior to the date of maturity. Time Deposits which have matured and do not include automatic renewal provisions should be maintained under the original contracted term of deposit (See memoranda item **8203 - Time Deposits Matured and Unpaid**).

Time Deposits are classified according to the following maturities Call Deposits, 16 days to 3 months, over 3 months to 6 months, over 6 months to 1 year, over 1 year to 2 years, over 2 years to 3 years, over 3 years to 5 years, and over 5 years.

*Item 210301 - Call Deposits*

Call Deposits represent deposits of a **maturity specified for up to 15 days**. Call deposits received from commercial banks constitute part of the **Inter Bank Market and should be recorded under Account 22 Inter-bank Funds Bought**.

**ACCOUNT 22 - INTER-BANK FUNDS-BOUGHT**

***For Commercial Banks only.***

Include as Inter-bank Funds-Bought all transactions with other commercial banks involving the purchase of immediately available funds for one to fifteen calendar days at a specified rate of interest.

Inter-bank Funds may be secured or unsecured or may be in the form of a repurchase (resale) agreement.

All continuing contracts to purchase funds, which are defined as those which will remain in effect for more than one day, but have no specified maturity and **do not require more than fifteen days advance** notice to terminate must also be included under this account.

**ACCOUNT 23 - CENTRAL BANK FUNDS**

Record all Central Bank borrowings for periods of one (1) to fifteen (15) days.

**ACCOUNT 24 - BORROWINGS**

Include the total operational balances **Due To other commercial banks** as well as all other funds borrowed for less than one (1) year by the reporting institution on its own promissory notes, on notes and bills rediscounted, or on any other instruments given for the purpose of borrowing money. **Excludes borrowings on the Inter-Bank Market - Account 22 and Short-Term (1-15 days) borrowings from the Central Bank - Account 23.**

***Sub-Account 2401 - Central Bank***

Include under this item all borrowings whether direct or through rediscounts from the Central Bank of Trinidad and Tobago for periods in excess of 15 days and less than one (1) year. **Borrowings from the Central Bank for 15 days or less should be recorded under Account 23.**

***Sub-Account 2402 - Commercial Banks***

***For Commercial Banks only.***

Include the gross value of (i) the reporting bank's overdrawn operational accounts with other commercial banks, both local and foreign, (ii) Operational deposit balances by other commercial banks, both local and foreign, with the reporting bank and (iii) loans for more than 15 days and less than 365 days from other commercial banks.

***For Other Financial Institutions***

This account represents the gross value of all debit (overdrawn) balances in current operational accounts maintained with commercial banks, as well as any other loans negotiated for more than 15 days and less than one (1) year with commercial banks.

***Sub-Account 2403 - Other Financial Institutions***

Include all borrowings for more than 15 days and less than one (1) year from financial institutions, both local and foreign, other than commercial banks and the Central Bank.

***Sub-Account 2409 - Other***

Record all other borrowings for periods up to one (1) year.

***ACCOUNT 25 - ACCEPTANCES EXECUTED***

This is a contra account to **Asset Account 15 - Customers liability on Acceptances**. It represents the amount of unmatured drafts and Bills of Exchange (sight and term), undrawn Letters of Credit and Bonds, Guarantees and Indemnities accepted by the reporting bank. Also include Bankers Acceptances issued on behalf of customers.

***ACCOUNT 26 - OTHER CURRENT LIABILITIES***

This Account reflects obligations acquired by the reporting institutions in the usual course of business.

***Sub-Account 2601 - Cashiers Cheques***

Represents cheques issued by the bank for any purpose including those issued in payment of services, dividends or purchases which are drawn on the reporting bank by any of its duly authorised officers and outstanding on the reporting date. Also referred to as **Manager's Cheques**. This Account also includes **Inter-Branch and Inter-Bank settlement Drafts and Certified Cheques**.

***Sub-Account 2602 - Personnel***

Include all amounts due to bank directors, officers and other personnel which are pending i.e. salaries, vacations, benefits etc. Payments on employees' behalf such as N.I.S., Taxes, Pension etc. should be included under **Item 2611 Other Current Liabilities**.

***Sub-Account 2603 - Profits/Dividends Payable***

Include the amount of Profits and/or Cash dividends payable as at the reporting date.

***Sub-Account 2604 - Taxation Payable***

Represents the gross taxes payable to the Trinidad and Tobago Inland Revenue Department based on the prior year's profits and provisions made based on the current year's profits. **Taxation payable should not be offset against taxes recoverable.**

***Sub-Account 2605 - Accounts Payable***

Represents those obligations due and payable originating in the normal course of business. Include wire transfers made for the account of customers, collection items for which payment has been received by the institution but not passed to the customer etc.

***Sub-Account 2606 - Interest Accrued***

Include all accrued charges of interest which remain **unpaid** as of reporting date on the following deposit accounts

- **Demand Deposits**
- **Savings Deposits**
- **Time Deposits**
- **All Other Deposits**

***Sub-Account 2607 - Inter-Office Accounts***

Represents the net credit balance on inter-office accounts.

***Item 260701 - Branch Clearings***

Include the net credit balances on outward and inward branch clearings accounts. A net debit balance should be reported under account **190201 - Branch Clearings**.

***Item 260702 - Other Balances***

Include the net credit balance on all other inter-office accounts. A net debit balance should be reported under account **190202 - Other Balances**.

***Sub-Account 2608 - Items in Suspense***

Include all items in suspense other than inter-office suspense balances.

***Sub-Account 2609 - Money Market Operations***

Record the value of all short term credit instruments placed with the reporting institution on a "wholesale basis" with a maturity period of one (1) day up to and including one (1) year.

Includes commercial paper, negotiable certificates of deposits and repurchase agreements.

***Sub-Account 2610 - Fund Raising Instruments***

Record the value of all instruments maturing within one (1) year of the reporting date.

Include mortgage pass through securities, floating rate tax free debentures, investment note certificates, and secured commercial paper.

***Sub-Account 2611 - Other***

This Account covers all other current liabilities which cannot properly be reported in Accounts 22 through 2610.

**ACCOUNT 27 - LONG TERM LIABILITIES**

Include the total balances **Due To** Central Bank, commercial banks and other financial institutions as well as all other funds borrowed for more than one (1) year by the reporting institution on its own promissory notes, on notes and bills rediscounted, or on any other instruments given for the purpose of borrowing money.

Include in the appropriate categories, all borrowings over one (1) year.

***Sub-Account 2704 - Fund Raising Instruments***

Record the value of instruments maturing beyond one year from the reporting date.

Include mortgage pass through securities, floating rate tax free debentures, investments note certificates, and secured commercial paper.

**CLASS 3 CAPITAL ACCOUNTS**

For the purpose of this Report this class includes Paid-in Capital; Paid in Surplus; Reserves; Subordinated Term Debt and Retained Earnings.

Capital as the name implies represents the owners' investment in the institutions augmented by profits retained from operations over the years.

**ACCOUNT 31 - PAID IN CAPITAL**

This account is comprised of the amounts paid in by the shareholders and represented by preferred stock, convertible or non-convertible, with cumulative or non-cumulative dividends or common stock. The share of equity capital owned by **Non-Residents should be reported under the "of which NON-RESIDENT"** columns.

***Sub-Account 3101 - Ordinary Shares***

Record the par value of shares which carry no preference with regard to liquidation or the payment of dividends, and to which voting rights are attached.

***Sub-Account 3102 - Preference Shares***

Record the par value of shares which have a guaranteed rate of dividend attaching to them, in preference to ordinary stockholders.

**ACCOUNT 32 - PAID IN SURPLUS**

Represents the amounts received by the reporting institution for the sale of its stock in excess of the par value of such stock (Share Premium Account).

***Sub-Account 3201 - Ordinary Shares***

Record the par value of shares which carry no preference with regard to liquidation or the payment of dividends, and to which voting rights are attached.

***Sub-Account 3202 - Preference Shares***

Record the par value of shares which have a guaranteed rate of dividend attaching to them, in preference to ordinary stockholders.

*Item 320201 - Perpetual Non-Cumulative*

Record the par value of preference shares that have no maturity date, which cannot be redeemed at the option of the holder and in respect of which the issuer **has** the ability and legal right to defer or eliminate preferred dividends.

*Item 320202 - Perpetual Cumulative*

Record the par value of preference shares that have no maturity date, which cannot be redeemed at the option of the holder and in respect of which the issue has **no** legal right to defer or eliminate preferred dividends.

*Item 320203 - Limited Life Redeemable*

Record the par of preference shares that are redeemable at the end of a specifies period.

**ACCOUNT 33 - RESERVES**

Represents the amounts charged to income for the purpose of creating or adding to established reserves as required by the statutes or shareholder agreements.

***Sub-Account 3301 - Statutory Reserves***

Include reserves created according to provisions of the Financial Institutions Act 1993 (i.e. 10% of net profits).

Represents equity created from unrealised gains which have resulted from the revaluation of real estate property or other fixed assets which have been ascertained at a balance sheet date and supported by an independent professional valuation conducted within one year before or three months after that balance sheet date.

Record the value of all other capital reserves.

***Sub-Account 3302 - Capital Reserves***

Represents the surplus on all capital items or capital transactions. Includes Revaluation Reserves, that is, if the bank chooses to record its fixed assets at other than cost; the difference between cost and the amount resulting from the valuation method used, must be reflected in this item. Adjustments to the carrying value of the asset should, therefore, result in an increase or decrease to this reserve.

*Item 330201 - Asset Revaluation Reserves*

Represents equity created from unrealised gains which have resulted from the revaluation of real estate property or other fixed assets which have been ascertained at a balance sheet date and supported by an independent professional valuation conducted within one year before or three months after that balance sheet date.

*Item 330202 - Record the value of all other capital reserves*

***Sub-Account 3303 - General Reserves***

The balance in this Account would represent amounts appropriated out of profits for general purposes such as construction, renovations and other contingencies.

Reserves set aside for future unidentified losses on assets, which reserves are normally reported as part of shareholders' equity.

*Item 330301 - Losses On Assets*

Reserves set aside for future **unidentified** losses on assets, which reserves are normally reported as part of shareholders' equity.

General provisions that have been created for unidentified losses and form part of the accumulated provision account, but excluding specific reserves and provisions created against identified losses.

*Item 330302 - Record the value of all other general reserves*

#### **ACCOUNT 34 - SUBORDINATED TERM DEBT**

Term Debt that is subordinated to general creditors thereby ranking with ordinary or common stock.

#### **ACCOUNT 35 - RETAINED EARNINGS**

Include the portion of earnings which the reporting institution has chosen to reinvest. The amount reflected should be the total retained earnings accumulated from prior periods.

### **CLASS 7 CONTINGENT ACCOUNTS**

These accounts reflect all those operations in which the obligation of the reporting institution is conditioned to the occurrence or non-occurrence of an event, depending on future and unforeseeable facts. Includes Unused Portion of Overdraft Lines, Undisbursed Loan Funds, Loan/Lease Commitments, Pending Litigations and other contingent liabilities.

#### ***Sub-Account 7201 - Unused Portion Of Overdraft Facilities***

For all customers who are not exceeding their limits, record the difference between the overdraft limit (Item 720101) and the outstanding balance (Item 720101).

#### ***Sub-Account 7202 - Unused Portion Of Credit Card Facilities***

For all customers who are not exceeding their limits, record the difference between the credit card limit (Item 720201) and the outstanding balance (Item 720202).

#### ***Sub-Account 7203 - Sale and Repurchase Agreements With Recourse***

Record the value of all agreements entered into in which the reporting institutions may be required to repurchase the said assets at a future date, consequent on terms expressed in the agreement.

*Item 720301 - Home Mortgage Bank*

*Item 720302 - Other Loans*

*Item 720303 - Other Assets*

#### ***Sub-Account 7204 - Loan And Lease Commitments***

Report under this item all firms commitments by the reporting institution to grant loans, (excluding overdraft loans) or to enter into lease financing at a future date. Refers to balances which have been approved but on which no funds have as yet been disbursed.

#### ***Sub-Account 7205 - Undisbursed Loan Funds***

Include all funds not disbursed on loans (excluding Overdraft Loans) which have been granted and on which disbursements have already been made.

#### ***Sub-Account 7206 - Pending Litigations***

Report under this item, all litigations pending against the reporting institution.

#### ***Sub-Account 7207 - Unused Portion Of Lines Of Credit In Favour Of Other Institutions***

Under this sub-account include the unused portion of lines of credit granted to the reporting institutions by other institutions. Do not include Inter-Bank Market Funds. Record data only for continuous lines of credit established with both local and foreign institutions.

#### ***Sub-Account 7209 - Other***

Report any other contingent liabilities not included in Sub-Account 7201 to 7207. N.B **Unissued** stock of travellers' cheques should not be reported as a contingent liability.

## CLASS 8 MEMORANDA ACCOUNTS

### ACCOUNT 81 - MEMORANDA ACCOUNTS

Include accounts which are claims held by the institution but which are not reported in detail in the Assets section of the Balance Sheet. Includes Past-Due Loans, Own Securities assigned as collateral, Charged off Assets, Unused Portions of Lines of Credit in Favour of Institution, Due from Subsidiaries, Affiliates and Associated Companies, Loans to Regulated Borrowers and Loans to Staff.

#### *Sub-Account 8101 - Own Securities Assigned As Collateral*

Record the face value of any securities owned by the reporting institution (as listed in Account 13) which have been assigned to another institution as collateral.

#### *Sub-Account 8102 - Charged-Off Fixed Assets*

Record the book value of any fixed assets which have been disposed of during the reporting month.

#### *Sub-Account 8103 - Due From Subsidiaries, Affiliates And Associated Companies*

This Account should include the total of all loans granted to, deposits placed with and all other balances due from all Subsidiaries, Affiliates and Associated Companies. Subsidiaries and Affiliates are described under Class 1, Account 16. For the purpose of this report an "Associated Company" shall mean any corporation, business association or other similar organization, (1) of which control is held directly or indirectly through stock ownership by a majority shareholder of the reporting institution; or (2) of which the reporting institution exercises management control through the appointment of key officers; or (3) of which a majority of the directors or other persons exercising similar functions are also directors of the reporting institution; or (4) which owns or controls directly or indirectly more than 20% of the shares of the capital stock of the reporting institution or (5) which is sponsored and advised on a contractual basis by the reporting institution or any subsidiary or affiliate thereof.

#### *Sub-Account 8104 - Loans To Companies With Foreign Equity*

Include the total value of loans granted to resident corporations which have shares held by non-residents.

##### *Item 810401 - Loans to Companies with more than 50 per cent*

Include loans to granted to resident corporations which have more than 50 per cent of there shares /stock held by non-residents.

#### *Sub-Account 8105 - Loans To Staff*

Include all loans made to employees i.e. Directors, Managers and Salaried employees of the reporting institution.

#### *Sub-Account 8106 - Overused Portion Of Overdraft Facilities*

For all customers who are exceeding their limits, record **the difference** between the overdraft limit **Item 810601** and the outstanding balance **Item 810602**.

#### *Sub-Account 8107 - Overused Portion Of Credit Card Facilities*

For all customers who are exceeding their limits, record **the difference** between the overdraft limit **Item 810701** and the outstanding balance **Item 810702**.

#### *Sub-Account 8108 - Rescheduled Loans*

Rescheduled loans are extensions of credit which have been rescheduled or otherwise modified at favourable terms and conditions for the borrower because of weaknesses in borrowers' financial condition and/or ability to repay.

##### Example

- a. If the repayment schedule has been lengthened with no change in the amount advanced because of an inability to meet payments under the existing schedule.
- b. If the interest rate has been lowered to below contractual rates to accommodate the borrower's payment capabilities resulting in a different repayment schedule and no new amounts have been advanced.



- c. If the customer was not able to service one or more of several facilities, a grossing up of these existing facilities under conditions similar to (a) or (b) above constitutes a rescheduled loan.

Please note the following

- In all instances the account must have been in arrears for a period of at least one month.
- When either of conditions (a), (b) or (c) arises and an additional amount is advanced this additional amount will form part of the Rescheduled Loans balances for the purposes of this report.
- Report the total value of outstanding loans rescheduled during the reporting month. See (Items 810801 plus 810802) below.

*Item 810801 - First Time Rescheduled Loans*

Record the book value of outstanding loans which have been rescheduled for the first time during the reporting month.

*Item 810802 - Loans Previously Rescheduled*

Record the book value of loans which have been previously rescheduled.

***Sub-Account 8109 - Accrued Interest On Rescheduled Loans***

Record the total value of interest earned but not collected on rescheduled loans during the reporting month.

*Item 810901 - First Time Rescheduled Loans*

Record the value of accrued interest Written-off/Capitalized on loans rescheduled during the reporting month.

*Item 810902 - Loans Previously Rescheduled*

Record the value of accrued interest Written-off/Capitalized on loans which have been previously rescheduled.

***Sub-Account 8110- Past Due Loans***

Past-Due loans, for the purpose of this Report, are loans with respect to which payments are not being made in accordance with the terms of the loan agreement. These loans include **all loans** which are due for repayment but have not been repaid. In all cases, record the **outstanding principal values (excluding interest)** and **Age** these loans by the six period groupings as indicated on the Form.

For single payment notes the due date is the stated maturity date. For demand loans the due date is the date the loan has been **Called** i.e. when a demand for payment has been made. For all term loans the due date is the date on which the next installment is due.

**Past-Due Overdrafts are characterized** by one or more of the following factors

- facility operating in excess of the sanctioned limit for a period of three (3) months or more (and the bank has not approved an increased limit even if only on a temporary basis).
- there has been no credit activity for three (3) months.
- the outstanding balance has been **Called** but has not been liquidated and a period of one(1) month has elapsed.

**ACCOUNT 82 - MEMORANDA ACCOUNTS - LIABILITIES**

Include those Accounts which represent obligations by the institutions but which are not reported in detail in the Liabilities section of the Balance Sheet. Includes Non-Resident Deposits, Balances Due To Subsidiaries, Affiliates and Associated Companies, Time Deposits Matured and Unpaid, Foreign Currency accounts and External Accounts.

***Sub-Account 8202 - Due To Subsidiaries, Affiliates And Associated Companies***

Include the total of all **loans received from, deposits placed by** and all other balances **Due To** subsidiaries, affiliates and associated companies. **See Account 8105** for a full description of subsidiaries, Affiliates and Associated companies.

***Sub-Account 8203 - Time Deposits Matured And Unpaid***

Include the total balances on all time deposits which have matured and have not been paid and on which no automatic renewal provisions were maintained **see note to Sub-Account 2103 - Time Deposits**.

**ACCOUNT 83 - OTHER MEMORANDA ACCOUNTS**

Include in this Account the total amount of interest earned/expensed on assets/liabilities, the total number of persons employed in the reporting institution, the total wages and salaries of all full time and part time employees and a breakdown of the total disbursement of bridging finance loans extended by the institution.

***Sub-Account 8301 - Interest Earned***

Include all interest earned (collected and accrued) on interest earning assets, such as due from bank accounts, investments and loans.

***Sub-Account 8302 - Interest Expensed***

Include all interest expenses incurred by the reporting institution in the reporting period for deposits and borrowings.

***Sub-Account 8303 - Total Numbers Employed***

Record the total number of employees of the reporting institution **as at the end of the reporting month**. The total numbers employed refers to all full time and part time employees other than temporary employees.

***Sub-Account 8304 - Total Wages And Salaries***

Record the total wages and salaries bill **for the reporting month**. This Account includes all compensation and supplementary benefits of all full time and part time employees other than temporary employees. Include bonuses and extra compensation withheld from salaries for National Insurance and contributions to the reporting institution's retirement or pension plan. Also include such employee benefits as the reporting institution's contribution to its retirement and pension fund, vacation bonuses, health insurance premiums paid, unemployment and INS deductions, medical services, uniforms and other fringe benefits.

***Sub-Account 8305 - Total Disbursements Of Bridging Finance***

Record the value of total disbursements **for the reporting month** on all Bridging Finance loans. This total should be broken down by the type of construction the funds are used for (i.e. dwelling or industrial construction) and not by the type of borrower. **(See Item 140301 - Bridging Finance)**.

***Sub-Account 8306 - Total Cheques Cleared***

Represents the total value of cheques cleared for the reporting month.

**CLASS 84 MEMORANDA ACCOUNTS (DEPOSITS)**

Record the value of total deposits disaggregated by residency and sector. Total deposits should be equal to **Sub-Account 21 - Deposits**

**CLASS 85 MEMORANDA ACCOUNTS (LOANS)**

Record the value of total loans disaggregated by residency and sector. Loans are to be shown gross i.e. inclusive of loan provisions. Total loans should equal the sum of Sub-Accounts.

- ***Sub-Account 1401 - Loans, Advances, Discounts and Credit Cards***
- ***Sub-Account 1402 - Accounts Receivable Financing***
- ***Sub-Account 1403 - Real Estate Loans***
- ***Sub-Account 1404 - Lease Financing***

**CALSS 86 EMOLUMENT BONDS**

This section refers specifically to bonds issued by Gov't in lieu of arrears owed to public servants.

Where a loan is given, backed by the value of the bonds as collateral, with repayment to be made in one lumpsum upon redemption of the bond, this transaction should be reported as a **TIME LOAN - ITEM 14010308**.

Consequently, the required entries for CB20 reporting are as follows -:

- Account 14 - Loans: Sub-Account 14010308 - Time Loans (Consumers)
- Memoranda Account 8508 - Consumers
- C.B.20/2 Interest rates on loans - Time Loans
- Memoranda Account 1401030801 -Emolument Bonds - (Time loan Consumers)

In the case of direct discounting arrangements, where a bond is transferred (*at a discount*) to a financial institution, **the discounted value** of the bond should be reported in the CB20 form.

The required entries for CB20 reporting are as follows -:

- Account 13 - Investments: Sub-Account 130202 - Central Government Securities (Non Marketable). **This should be at the discounted value of the bond.**
- Memoranda Account 13020201 Emolument Bonds Discounted . **This should be at the discounted value of the bond**

## **5. MONTHLY INTEREST RATES SCHEDULE - (C.B. 20/2)**

This schedule is **to be completed by all financial institutions** and details interest rates offered/charged on deposits, loans and inter-bank funds denominated in local (TT Dollar) and foreign currencies.

### INTEREST RATES OFFERED ON TT DOLLAR DEPOSITS

#### *Announced Rates*

##### *Highest*

Refer to the highest interest rate advertised on different types of deposits as at the reporting date.

**Does not include negotiated rates**

##### *Lowest*

Refer to the lowest interest rate advertised on different types of deposits as at the reporting date.

**Does not include negotiated rates**

#### *Actual Rates*

##### *Highest*

Refer to the highest rate as at the reporting date **Includes both announced and negotiated rates.**

##### *Lowest*

Refer to the lowest rate as at the reporting date. **Includes both announced and negotiated rates.**

For each **Deposit** category, record the **Number** and **Value** of **all deposits** falling within the corresponding interest rate bands, as at the reporting date. **These rates include both announced and negotiated rates.** The sum of the **Value** column in each category should correspond to

equivalent items in **Section 21 Deposits**. For example, in the case of **Demand Deposits** the sum of the **Value** column should be equal to **2101 Demand Deposits**

***Interest Expensed***

Refers to the value of interest expensed for the reporting month for each category of deposit. **(Includes both new and existing deposits)** Whether interest is paid quarterly or semi-annually, paid-out or accrued, only interest expensed for the month is to be reported. Record the Interest Expensed in the space provided for each type of deposit.

**INTER-BANK FUNDS BOUGHT**

***Range of Rates***

Record the highest and lowest rate on Inter-Bank Funds as of the reporting date

***Interest Expensed***

Refers to the value of interest expensed for the reporting month for any inter-bank funds bought. **(Includes both new and existing deposits)** Whether interest is paid quarterly or semi-annually, paid-out or accrued, only interest expensed for the month is to be reported. Record the Interest Expensed in the space provided for Inter-Bank Funds sold

**INTEREST RATES ON FOREIGN CURRENCY DEPOSITS AND INTER BANK FUNDS BOUGHT**

This is the same as for TT Dollar Deposits.

**INTEREST RATES CHARGED ON TT DOLLAR LOANS AND INTER-BANK FUNDS SOLD**  
***N.B. - LOAN RATES REFER TO THE "ADD-ON" RATE***

***Prime Rate***

The **Prime Rate** for each loan refers to the commercial prime rate, that is, the lowest commercial rate charged on **new** loans granted to customers during the month. Report the **Prime Rate** prevailing as at the reporting date. Concessionary rates charged on loans to Government, rates on staff loans and other subsidized rates granted during the month **should not** be included in determining the prime rate.

***Actual Loan Rates***

***Highest***

Refer to the highest interest rate on **new loans** for the reporting month.

***Lowest***

Refer to the lowest interest rate on **new loans** for the reporting month.

For each Loan category, record the **Number** and **Value** of **new loans** granted within each rate band. These should **include** loans to government and other commercial customers at concessionary rates, but **exclude** loans at staff rates, which must be recorded separately under the heading **Staff Loans**.

(i) Because of the revolving nature of **overdraft loans** and **credit card loans**, report the *number* of loans and the *outstanding balances as at the reporting date*.

(ii) For all other categories of loans, report in the respective interest rate bands, the *number* of loans and the *value* of loans granted *for the reporting month*.

***Interest Earned***

Refers to the total value of interest earned, whether collected or receivable, for the reporting month for each loan category. ***This includes both new and existing loans.*** Record in the space provided, the interest earned for the reporting month for each loan category.

***INTER-BANK FUNDS SOLD***

***Range Of Rates***

Record the Highest and Lowest rate on Inter-Bank Funds sold during the month.

***Interest Earned***

Refers to the total value of interest earned, whether collected or receivable, for the reporting month for any Inter-bank Funds sold. ***This includes both new and existing loans*** Record in the space provided, the interest earned for the reporting month for any Inter-Bank Funds sold.

***Basic Prime Lending Rate***

The **Basic Prime Lending Rate** refers to the base lending rate as advertised and/or announced by the reporting institution.

***INTEREST RATES CHARGED ON FOREIGN CURRENCY LOANS AND INTER-BANK FUNDS SOLD***

This is the same as for TT Dollar Loans.