



**Financial and Consumer Services Commission
of New Brunswick
Financial Institutions Division
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Fredericton, NB
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**Commission des services financiers et des services aux
consommateurs du Nouveau-Brunswick
Division des institutions financières
200-225, rue King
Fredericton (N.-B.)
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Téléphone : (506) 453-2315**

**CALCULATION OF NEW BRUNSWICK CAPITAL BASE FOR A
LICENSED EXTRA-PROVINCIAL LOAN OR TRUST COMPANY
(Per Parts II and III of General Regulation, *Loan and Trust Companies Act*, S.N.B. 1987, c.L-11.2)**

COMPANY NAME: _____

CALCULATION OF CAPITAL BASE FOR PERIOD ENDING: _____

(Please forward a copy of the financial statements of the company for the period ending which is used in the capital base calculation)

FISCAL YEAR END: _____

CONTACT PERSON: _____ TELEPHONE NUMBER: _____

CERTIFICATION

We, _____ and _____ as officers of

_____ in the City of _____

in the Province of _____, certify that the attached schedules have been prepared from the books and records of the company, and that to the best of our knowledge and belief, are correct and complete and show the capital base of the company on the

_____ day of _____, 20____, pursuant to the provisions of the New Brunswick *Loan and Trust Companies Act* and Regulations.

Signature: _____ Signature: _____

Position: _____ Position: _____

Date: _____ Date: _____

**CALCULATION OF NEW BRUNSWICK CAPITAL BASE
FOR A LICENSED EXTRA-PROVINCIAL LOAN
OR TRUST COMPANY
(Per General Regulation - Parts II and III)**

Period ending _____

CAPITAL BASE CALCULATION (ss.5(a))

(to nearest \$000)

Paid-up Common Shares	5001	
Paid-up Preferred Shares	5002	
Contributed Surplus	5003	
Subordinated Notes	5004	
Retained Earnings (Deficit)	5005	
Net Deferred Income Taxes Payable	5006	
 Total Capital (add lines 5001 to 5006)		5010

DEDUCTION FROM CAPITAL (ss.5(b))

Shares of Licensed Subsidiary Included in its Capital Base.....	5011	
Goodwill and Other Intangible Assets.....	5012	
Deferred Charges.....	5013	
Leasehold Improvements (less accumulated amortization).....	5014	
 Non-admitted Assets:.....		
-per the New Brunswick <i>Loan & Trust Companies Act</i> and regulations and licenses thereunder	A	
-per incorporating or designating jurisdictions, Act and regulations	B	
	Total of A and B	5015
 Investment in Securities Dealers.....	5016	
Unrealized Losses on Foreign Currency Translation.....	5017	
Net Deferred Income Taxes Recoverable.....	5018	
Market Value Deficiency – Securities.....	5019	
- Real Estate.....	5020	
Non-admitted Assets of a Non-licensed Subsidiary.....	5021	
 Total Deduction from Capital (add lines 5011 to 5021).....		5030
 Capital Base (line 5010 less 5030).....		5035

FILING INSTRUCTION

In addition to the information provided below, persons responsible for completing these schedules should be aware of the legislative requirements set out in the *Loan and Trust Companies Act* and Regulations thereunder, in particular Parts II and III of the General Regulation.

CAPITAL BASE CALCULATION

Line 5001 Paid-up Common Shares

Enter the amount of fully paid-up common shares issued by the Company.

Line 5002 Paid-up Preferred Shares

Enter the amount of fully paid-up preferred shares issued by the Company.

Line 5003 Contributed Surplus

Enter the amount of contributed surplus, being the premium received on the issue of par value shares, the portion of issue of no par issue shares that has been allocated to surplus, the proceeds of sale of donated shares, profits on forfeited shares, credits resulting from redemption or conversion of shares at less than the amount set up as share capital, or any other contributions in excess of stated value of shares made by a shareholder as such.

Line 5004 Subordinate Notes

Enter the amount of subordinate notes issued in accordance with the governing legislation.

Line 5005 Retained Earnings (Deficit)

Enter the retained earnings (deficit) calculated in accordance with Part III of the New Brunswick *Loan and Trust Companies Act* and Regulations.

Section 8 of Part III sets out the amount of the deficit and retained earnings of an extra-provincial company that shall be determined in accordance with:

- (i) the requirements of its designated jurisdiction,
- (ii) the requirements of its jurisdiction of incorporation, and
- (iii) Canadian generally accepted accounting principles.

Line 5006 Net Deferred Income Taxes Payable

Enter the amount of income taxes that are deferred as a result of differences in the timing of recognition of certain items for tax and accounting purposes.

Line 5010 Total Capital

Add the total capital base, lines 5001 to 5006.

Line 5011 Shares of a Licensed Subsidiary

Enter the book value of the portion of shares of subsidiary loan and trust companies licensed under the Act or similar legislation that the subsidiary includes in calculating its capital base. Section 9 of the Regulations requires that the equity method of accounting shall be used to calculate a company's investment in the shares of a subsidiary.

Line 5012 Goodwill/Intangible Assets

Enter the total amount of goodwill and other intangible assets.

Line 5013 Deferred Charges

Enter the total amount of deferred charges including start-up costs, operating losses and other similar charges.

Line 5014 Leasehold Improvements

Enter the total amount of leaseholder improvements less the accumulated amortization on the leasehold.

Line 5015 Non-Admitted Assets

- A. Enter the total non-admitted assets, being investments or any part of an investment that are not permitted by, or and in excess of, the limits imposed by the Act, regulations or licence.
- B. Enter the total non-admitted assets, being investments or any part of an investment that are not permitted by, or in excess of, the limits imposed by the Act or regulations or the Company's incorporated or designated jurisdiction.

Line 5016 Investments in Securities Dealers

Enter the total amount of investments in the shares of, or loans made to a securities dealer in which the Company owns more than 10% of the voting shares. Per section 9 of the regulations, the equity method of accounting shall be used to calculate a company's investments in the shares of a subsidiary.

Line 5017 Unrealized Losses on Foreign Currency Translation

Enter the total amount of any unrealized losses on foreign currency translations in accordance with the CPA – Canada Handbook.

Line 5018 Net Deferred Income Taxes Recoverable

Enter the amount of income taxes recoverable that are deferred resulting from the differences in the timing of income recognition of certain items for tax and accounting purposes.

Line 5019 Market Value Deficiency - Securities

Enter the total amount, if any, by which the aggregate book value of the investments of the Company, except securities issued or guaranteed by the Government of Canada, an agent of the Government of Canada or the government or an agent of the government of a province, territory or municipality exceeds the aggregate market value of the investments determined in accordance with section 6 of the regulations.

Section 6 of the regulations contain detailed valuation rules with respect to the application of this section and must be referenced.

Line 5020 Market Value Deficiency - Real Estate

Enter the total amount, if any, by which the aggregate net book value of real estate, other than office premises owned by the Company, exceeds its aggregate market value as determined by an appraisal made within the preceding two years.

Line 5021 Non-Admitted Assets - Subsidiary

Enter the total amount of non-admitted assets of a subsidiary calculated by determining the amounts described in lines 5011 to 5020 above for the subsidiary and multiplying that amount by the percentage of equity in the subsidiary that is held by the Company.

Line 5030 Total Deductions from Capital

The total deductions are the sum of lines 5011 to 5021.

Line 5035 Capital Base

The capital base amount is calculated by deducting line 5030 from line 5010.

OTHER INFORMATION

Set out information as requested on the form pertaining to financial statements used in calculation of the capital base.

CERTIFICATION

Two senior officers of the Company who have knowledge of the contents of the financial information and the calculation of the capital base should certify same.

NOTICE – COLLECTION AND USE OF PERSONAL AND CONFIDENTIAL INFORMATION

The personal, confidential and other information provided to or received by the Financial and Consumer Services Commission of New Brunswick (Commission) as part of the application process is collected by the Superintendent of Loan and Trust Companies, or Commission staff on behalf of the Commission under the authority granted by the *Loan and Trust Companies Act*, the *Financial and Consumer Services Commission Act* and financial and consumer services legislation.

This personal, confidential and other information is collected for the purposes of:

- (1) evaluating the application for renewal or approval of a license;
- (2) ensuring that the Applicant continues to meet applicable legislative requirements, and/or
- (3) administering or enforcing financial and consumer services legislation.

By submitting this application, the Applicant authorizes the Commission to collect, directly, or indirectly, such other information as may be necessary to evaluate the application, and verify the personal, confidential and other information contained in this application. The Applicant agrees that the Commission may use the Applicant's personal information to conduct a criminal record check and a credit inquiry. The Commission may review any police records, records from other government or non-governmental regulators, credit records and employment records about the Applicant. The Commission may contact government and private bodies or agencies, individuals, corporations and other organizations for information about the Applicant.

All information provided to or received by the Commission as part of the application process is confidential and will not be disclosed, except with your consent, or if such disclosure is permitted by the *Financial and Consumer Services Commission Act*, the *Right to Information and Protection of Privacy Act*, or other applicable law. You acknowledge that the Commission may share the information it is provided or receives as part of the application process with regulating authorities and law enforcement agencies in other jurisdictions, and such information may be used in determining your status in other jurisdictions where you are licensed or are applying for license.

If you have any questions regarding the collection of your personal information please contact the General the Financial and Consumer Services Commission of New Brunswick, by mail at 85 Charlotte Street, Saint John, NB E2L 2J2 or by telephone at 1-866-933-2222.