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Enhancements for trade match report cards

Last November, CIBC Mellon sent out the first monthly trade match report cards to clients and investment managers. These report cards provide detailed information on matching statistics to help users understand their trade matching performance and identify potential areas for improvement. They also help clients prepare regulatory exception reporting, when needed.

National Instrument 24-101 outlines trade matching targets for the industry. The current target to avoid exception reporting requirements is to match 90 per cent of trades by one day after the trade date (T+1) at noon. In July 2010, that target will increase to 70 per cent by midnight on the trade date (T).

Based on internal and external feedback, CIBC Mellon has enhanced its trade match report cards to provide added indicators to the client data extract, which presents detailed information on a trade-by-trade basis. These indicators:

- Show whether a given trade instruction was received, reported by the counterparty and matched at CDS Clearing and Depository Services Inc. by its respective deadline
- Eliminate the need for additional calculations

In addition to the monthly distribution, CIBC Mellon will be sending out consolidated quarterly reports that match the regulatory reporting periods. This will make it easy to see, at a glance, how the matching statistics compare with the regulatory performance target.

CIBC Mellon will be rolling out the enhanced trade match report cards beginning in October. If you have any questions about these report cards, please contact your client service representative or relationship manager.

By Jens Hembach, senior project analyst



A message from our CEO

Recently, Global Custodian magazine published the results of its 2008 Agent Banks in Major Markets survey. This annual survey is distributed to global financial institutions, who provide feedback on the quality of subcustody services in major markets across 11 service categories.

For me, the results of this survey are valuable for one fundamental reason: they tell us how you believe our performance is meeting your needs. At CIBC Mellon, our top priority is delivering service that exceeds your expectations, and our sincere commitment to you to continue to do better is what drives us forward, every day.

This year's survey results are frankly very gratifying and you are clearly telling us that we are on the right track. We were rated #1 in Canadian subcustody by the world's leading financial institutions, and "Top Rated" by cross-border and leading clients.

I'm proud of this feather in our cap, but be assured we're not resting on our laurels. We know there is always room to go the extra mile for our clients, and that's something we strive to accomplish day in and day out.

We are gratified that CIBC Mellon has earned a strong reputation for a high calibre of service to the industry. With the backing of The Bank of New York Mellon, we will continue to effectively leverage a full suite of new products and solutions to provide you with a superior level of client service for years to come.

We look forward to building on the strong partnerships we share, and helping you reach the next level of success.

Thank you.

Thomas C. MacMillan, president & chief executive officer at CIBC Mellon

Clients meet new regulatory reporting requirements with help of CIBC Mellon

Late last year, the Canadian Institute of Chartered Accountants (CICA) announced a change in transaction cost accounting requirements for Canadian pension plans.

In the past, transaction costs were accounted for within the initial measurement of the value of an asset. Now, transaction costs are considered an expense that should be itemized separately in the statement of changes in net assets of each plan's annual report. This means that transaction costs incurred by Canadian pension plans are no longer considered part of the fair value of an investment.

This new accounting requirement is effective for all annual reporting periods ending on or after Dec. 31, 2007, but does not require restatement of prior periods.

To help our clients meet these new standards, CIBC Mellon proactively developed a flexible solution that provides clients with an electronic report, offering the underlying adjustments required to prepare their plan's annual financial statement. The report includes a statement of journal entries to reflect adjustments between reserves and expenses, and provides an explanation of the calculation methodology. This methodology is recognized industry-wide and is



accepted by Canada's leading accounting firms. Reports providing details on the cost of purchases and transaction cost data within the journal statement are available in softcopy upon request.

By Arthur Wang, business analyst, business project group