BC FINANCIAL SERVICES AUTHORITY

Official Change of Name

On November 1, 2019, BC Financial Services Authority (BCFSA) replaces the Financial Institutions Commission (FICOM) as BC's regulator of credit unions, trust companies, insurance companies, pension plans and mortgage brokers. All references in the attached document to **FICOM** and the **Financial Institutions Commission** should be read as **BCFSA** and **BC Financial Services Authority** until revised or replaced by the name of the Authority. The attached form or document will continue to be used until otherwise revised or cancelled.

If you have any questions, please contact us at 604-660-3555.
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Net Cumulative Cash Flow Reporting Guide

SEPTEMBER 2016

BC Credit Unions

British Columbia | Financial Institutions Commission

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1 INTRODUCTION

1. The Financial Institutions Commission (FICOM) is issuing this reporting guide to provide instructional support and guidance to credit unions that are required to submit a Net Cumulative Cash Flow (NCCF) report.

2. Section 67 of the *Financial Institutions Act* (FIA) states that a credit union must maintain adequate liquid assets at all times. The *Liquidity Requirement Regulation* (LRR) outlines what constitutes adequate liquid assets, how the prescribed types of liquid assets are determined, and when to file a liquid assets report. Notwithstanding that a credit union may meet these liquidity requirements, FICOM may order a credit union to acquire additional liquidity if its liquid assets are considered inadequate in relation to its business activities.

3. In addition to compliance with the LRR and FIA, FICOM is implementing the NCCF as a liquidity reporting requirement and supervisory monitoring tool for B.C. credit unions. FICOM monitors credit unions' liquidity positions and risk profiles through its off-site and on-site supervision to ensure that there is sound liquidity risk management taking into account the size, scope, and complexity of each credit union.

1.1 Background

4. Recent national and international developments on liquidity risk management have prompted prudential regulators and supervisors to review their supervisory standards. These developments include guidance issued by the Basel Committee on Banking Supervision (BCBS) and the federal Office of the Superintendent of Financial Institutions (OSFI).

5. In December 2010, the BCBS published Basel III: International framework for liquidity risk measurement, standards and monitoring. This document aligns with the BCBS's overall guidance to strengthen the risk management and supervision of deposit taking institutions, with specific focus on liquidity. It recommends two minimum standards, the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR), and a contractual maturity mismatch tool for supervisors.

6. In November 2013, FICOM initiated a review of OSFI's Liquidity Adequacy Requirements (LAR) guideline. With respect to the LCR and NSFR, OSFI's guidelines are based on Basel III liquidity standards and monitoring tools. OSFI developed its own tool, the NCCF, based on observations and experiences from the Canadian regulatory environment. The NCCF was designed to identify gaps between contractual inflows and outflows at a detailed level and incorporates a liquidity scenario that assumes idiosyncratic and systemic stresses. The NCCF has been in use on a targeted basis by OSFI since 2012.

7. A FICOM initiated working group was subsequently formed to assess whether the NCCF was an appropriate liquidity risk monitoring tool for B.C. credit unions. Representatives from B.C. credit unions, the Credit Union Deposit Insurance Corporation of British Columbia, and other regulators undertook the review. The working group recommended that FICOM implement the NCCF as a supervisory tool.

1.2 Objectives

8. Credit unions should employ a range of liquidity measurement tools or metrics to better assess exposures and to identify sources of liquidity.

9. The NCCF is a liquidity metric that measures a credit union's survival horizon based on its net cumulative cash flows. It identifies potential future funding mismatches between contractual inflows and outflows for various time bands over and up to a 12-month time horizon. In order to capture the risk posed by funding mismatches, the NCCF applies a number of assumptions to both assets and liabilities and examines cash flows at a detailed level. This type of forward-looking cash flow analysis provides FICOM with confirmation on an ongoing basis that a credit union would be able to meet its short-term liabilities during a mild liquidity stress event, and is a useful internal liquidity management tool for credit unions. The NCCF also provides FICOM with further perspective into the maturity profile of credit union balance sheets.

10. FICOM may aggregate and utilize information collected through NCCF returns in order to monitor broader system liquidity.

11. During periods of stress to specific regions or individual credit unions FICOM may require individual credit unions to meet a NCCF supervisory target specific to the credit union. In such instances, the NCCF supervisory target will take into consideration: trends in financial market funding; liquidity indicators; and credit union-specific liquidity metrics, business risks, operating and management experience, strength of capital, earnings, diversification of assets, type of assets, inherent risks of the business model, and risk appetite.

2 NCCF REPORTING

12. Reporting credit unions must use the standardized assumptions as outlined in the Appendix to this document and the NCCF Reporting Template Excel spreadsheet as provided by FICOM.

13. The NCCF should be prepared on a non-consolidated basis. Reconciliation to the balance sheet is not required but should be done on a best-efforts basis. Discrepancies with balance sheet balances should be within reason and explainable.

14. All dollar amounts are to be reported in Canadian dollars. Credit unions are to follow the requirements of the applicable accounting standards with regard to foreign currency conversion.

3 ASSUMPTIONS

15. Assumptions are based on a stressed liquidity scenario that encompasses a combination of idiosyncratic and systemic stresses. The NCCF measures the impacts of these assumptions over a one-year time horizon. Stress assumptions include:

- cash flows from eligible unencumbered liquid assets;
- partial run-off of retail deposits; and

- partial run-off of wholesale or brokered deposits.

16. The time buckets reported under the NCCF include weekly buckets for the first 4 weeks, monthly buckets for month 2 to month 12, and a greater than 12 months bucket. Balances related to days 29, 30, and 31 of the first month should be reported in and assigned the same run-off rates as week 4 balances.

17. Cash flows treatment for assets and liabilities that have a contractual maturity should be considered based on residual maturity, unless otherwise specified in the standard assumptions table.

18. Standardized assumptions are subject to review and may be updated by FICOM as required.

4 INFLOWS

19. Cash inflow treatment differs based on whether or not the asset meets the criteria for unencumbered liquid assets as described below.

4.1 Unencumbered Liquid Assets

20. For the purposes of the NCCF, eligible unencumbered liquid assets are assets that are eligible to be pledged under the Bank of Canada's Standing Liquidity Facility (SLF)[1]. Cash inflows from unencumbered liquid assets are subject to specific haircuts under the SLF. All unencumbered National Housing Act Mortgage-backed Securities (NHA MBS) balances are to be reported in this section, regardless of pool size.

21. Eligible unencumbered liquid assets are treated as cash inflows in week 1. Additional inflows of unencumbered liquid assets from maturing transactions should be treated as cash inflows and assigned to the appropriate time bucket after the application of appropriate haircuts.

22. Credit unions should only include liquid assets that can be monetized through operational capabilities. The credit union should have appropriate monetization procedures and systems in place, ensuring that the liquidity management function has access to all of the necessary information that may be required to execute the monetization of any asset at any time.

23. Only eligible U.S. and Canadian liquid assets should be considered fungible (i.e. mutually interchangeable) for NCCF liquidity measurement purposes.

[1]. Unencumbered means free of legal, regulatory, contractual or other restrictions on the ability of the credit union to liquidate, sell, transfer, or assign the asset. The asset should not be pledged, either explicitly or implicitly, to secure, collateralize or credit-enhance any transaction, nor be designated to cover operational costs such as rents and salaries. The assets should also be accessible by the function charged with managing the liquidity of the credit union (e.g., the treasurer). Foreign currency liquid assets may be included with the approval of FICOM.

4.2 Other Unencumbered Liquid Assets

24. Assets received in reverse repurchase agreements and securities financing transactions that are held at the credit union, have not been re-hypothecated, and that are legally and contractually available for the credit union's use can be considered as part of the pool of liquid assets. These assets have immediate liquidity value and are to be reported in week 1.

25. Credit unions may receive liquidity value for collateral swaps provided they can clearly demonstrate that, at a minimum: the transactions are for a specified contract period; the securities used for the underlying collateral being swapped are outlined in the transaction details; mark-to-market procedures are understood and documented; and there is no substitution of collateral over the life of the contract unless it is a like-for-like substitution. In addition, credit unions should have adequate and ongoing market risk management control and oversight of collateral swap activity and recognize any liquidity or cash flow implications at the termination of the swap.

26. As noted, Canadian unencumbered liquid assets are limited to those that are eligible as collateral under the SLF at the Bank of Canada. It is important to note that the Bank of Canada applies conditions to the use of these assets and that the asset list is subject to change. As such, credit unions should use the most recent version of the SLF when calculating their stock of liquid assets for NCCF purposes.

27. All foreign currency balances included in the stock of liquid assets must at a minimum: be eligible collateral under normal operating conditions at Central 1, be unencumbered, and be approved by FICOM. FICOM reserves the right to restrict or alter this list at any time in consideration of stressed markets or other circumstances.

28. Cash inflows from reverse repurchase agreements which do not meet the conditions outlined above are assumed to occur at contractual maturity.

4.3 Deposits with Central 1

29. Clearing account balances with Central 1 are to be reported in week 1.

30. A credit union’s mandatory Liquidity Statutory Deposits (LSD) with Central 1 are to be accessed as a last resort, and are to be reported only after non-mandatory deposits with Central 1 have been extinguished.

31. A credit union’s non-mandatory deposits held with Central 1 are to be reported according to maturity date. Redeemable non-mandatory deposits are to be reported in week 1 after the assigned haircut of 5 per cent is applied. Non-redeemable non-mandatory deposits are to be reported in the period of earliest contractual maturity. Bid deposits are generally redeemable and are to be reported as a part of non-mandatory deposits in week 1 after the assigned haircut of 5 per cent is applied.

4.4 Deposits with Other Financial Institutions

32. A credit union's demand deposits with other financial institutions are to be reported as cash inflows in week 1. Term deposits are to be reported as cash inflows in the period of earliest contractual maturity.

4.5 Other Securities

33. Cash inflows from other government securities, mortgage-backed securities, asset-backed securities, corporate commercial paper, and corporate bonds, which are not considered eligible unencumbered liquid assets, should be reported according to contractual maturity. Cash inflows are limited to the face value of the security.

34. Cash inflows from securities borrowed are assumed to occur at contractual maturity for the principal amount borrowed. Interest amounts are not be included.

4.6 Other Investments

35. Other investments, which are not considered eligible unencumbered liquid assets, are to be reported in the greater than 12 months time bucket, with the exception of cash inflows for dividends which are to be reported according to declaration date.

4.7 Personal Loan Portfolio

Residential Mortgages

36. Credit unions should only include contractual inflows such as interest, fees, and amortization payments from outstanding exposures that are fully performing. Contingent inflows are not to be included.

37. Residential mortgages are assumed to rollover at 100 per cent. This means that no cash inflow value would be received for inflows from balances at maturity. Only the full amount of minimum payments (contractual inflows), including interest and amortization payments, from fully performing loans should be reported.

38. Credit unions have the option to report blended (amortization and interest) mortgage payments or to suppress the reporting of interest payments and report mortgage amortization payment inflows only.

39. Balances at maturity and the balance of period amortization payments of residential mortgages securitized and unsold (i.e. mortgage backed securities) are to be treated as cash inflows in week 1 after the appropriate haircut is applied, as described in section 4.1.

40. For residential mortgages securitized and used to back Canada Housing Trust (CHT) swaps, both balances at maturity and periodic amortization payments are to be reported

corresponding to the swap's contractual maturity. For mortgages securitized and encumbered, the corresponding liability is not assumed to rollover.

41. For residential mortgages that are securitized and sold to third parties, periodic amortization payments and payments of balances at maturity are to be reported as inflows corresponding to the recognition of payment.

Term Loans

42. Credit unions should only include contractual inflows such as interest, fees, and amortization payments from outstanding term loans that are fully performing. Contingent inflows are not to be included.

Lines of Credit

43. Cash inflows from lines of credit are assumed to occur at the latest possible time band within contractual maturity. Cash inflows from lines of credit with no specific maturity should be reported based on cash flows generated from specified minimum payments, fees, and the interest schedule.

Leases & Other

44. Credit unions should only include contractual inflows such as interest, fees, and amortization payments from outstanding leases and personal loan exposures that are fully performing. Contingent inflows are not to be included.

4.8 Commercial Loan Portfolio

45. Commercial loan portfolio inflows should be reported using the same assumptions as outlined in section 4.7 for personal loan portfolios.

4.9 All Other Assets

46. All other assets are to be reported, however, no cash flow value will be attributed to them. These amounts are to be reported in the greater than 12 months time bucket.

47. All derivative-related cash inflows should be reported according to contractual payment dates as per existing valuation methodologies. Cash flows may be calculated on a net basis (i.e. inflows can offset outflows) by counterparty only where a valid master netting agreement exists. The amount of derivative cash inflows and outflows should be calculated in accordance with other provisions of the methodology described in section 5.2.

48. Credit unions should not double count liquidity inflows or outflows.

49. Where derivatives are collateralized by eligible liquid assets, inflows should be calculated net of any corresponding outflows that would result from contractual obligations for collateral

to be posted by the credit union, as these contractual obligations would reduce the pool of eligible liquid assets.

5 OUTFLOWS

50. Cash outflow treatment for liabilities depends on whether or not the liability has a specific contractual maturity. Run-off rates (i.e. outflows) associated with liabilities that have an indeterminate maturity (non-defined or open maturity), such as demand deposits, are applied over two time intervals – weekly for the first month and monthly from month 2 to month 12. Balances should be run-off on a declining balance basis.

51. Unless instructed otherwise, cash outflows for liabilities with contractual maturities are not assumed to rollover and are to be reported according to contractual maturity or earliest option date.

52. Consistent with the underlying intent of the metric, no rollover of existing liabilities is generally assumed to take place, with the exception of retail and small business term deposits. Retail and small business term deposits are assumed to renew at the same term as the original deposit, less the applicable run-off rate.

53. The general treatment described above applies to:

- repurchase agreements;
- term deposits other than retail and small business term deposits, regardless of the counterparty type;
- other wholesale liabilities including commercial paper, certificates of deposit, deposit notes, and bonds; and
- outflows from financial institution sponsored ABCP, SIVs, and securitizations.

5.1 Deposits

54. Assumptions surrounding the stability of deposits as well as secondary market borrowings are important, particularly when evaluating the availability of alternative sources under adverse contingent scenarios.

Retail Deposits

55. Retail deposits are deposits placed with a credit union by a natural person and exclude deposits placed by broker dealers.

Demand and Chequing

56. Demand and chequing deposits are assigned a run-off of 0.75 per cent per week over the first 4 weeks and 3 per cent per month over months 2 to 12.

Cashable Term

57. Cashable term deposits are deposits that are redeemable with full accrued interest at any time or after a pre-defined period. Cashable term deposits are assigned a run-off of 3 per cent over the first 4 weeks at maturity with the remaining 97 per cent assumed to rollover to a new term deposit with the original term, and a run-off of 2 per cent over months 2 to 12 at maturity with the remaining 98 per cent assumed to rollover to a new term deposit with the original term.

Fixed Term

58. Cash outflows for fixed term deposits are assigned a run-off of 3 per cent over the first 4 weeks at maturity with the remaining 97 per cent assumed to rollover to a new term deposit with the original term, and a run-off of 1 per cent over months 2 to 12 at maturity with the remaining 99 per cent assumed to rollover to a new term deposit with the original term.

Broker Deposits

59. Retail, small business, and term deposits sourced from unaffiliated third parties or acquired through deposit agents are assigned a run-off of 5 per cent at maturity with the remaining 95 per cent assumed to rollover to a new term deposit with the original term.

Wholesale Deposits

60. Wholesale deposits are defined as those liabilities and general obligations that are raised from non-natural persons (i.e. legal entities, including sole proprietorships and partnerships) and are not collateralized by legal rights to specifically designated assets owned by the borrowing institution in the case of bankruptcy, insolvency, liquidation or resolution. Deposits from legal entities, large non-financial corporations, financial institutions, government and public sector enterprises, sole proprietorships, partnerships, and small businesses are captured in wholesale deposit categories.

Non-Financial Institution – Operational

61. Unsecured wholesale funding provided by non-financial institution and non-small business wholesale depositors, where the depositor has operational deposits generated by clearing, custody, and cash management activities, are assigned a run-off of 0.75 per cent per week over the first 4 weeks and 3 per cent per month over months 2 to 12.

Non-Financial Institution – Non-Operational

62. Unsecured wholesale funding provided by non-financial institution and non-small business wholesale depositors that is not specifically held for operational purposes are assigned a run-off of 3 per cent per week over the first 4 weeks and 5 per cent per month over months 2 to 12.

Financial Institution

63. All demand deposits from financial institutions (including banks, securities firms, insurance companies, etc.), fiduciaries[2], beneficiaries[3], conduits, and special purpose vehicles, affiliated entities of the institution and other entities that are not specifically held for operational purposes and are not included above are assumed to run-off evenly and in full over the first 4 weeks. Deposits with a contractual maturity date are assumed to run-off 100% at the point of contractual maturity.

Small Businesses

64. Small business demand or operational deposits are assigned a run-off of 0.75 per cent per week over the first 4 weeks and 3 per cent per month over months 2 to 12.

Cashable term small business deposits are assigned a run-off of 3 per cent over the first 4 weeks at maturity with the remaining 97 per cent assumed to rollover to a new term deposit with the original term, and a run-off of 2 per cent over months 2 to 12 at maturity with the remaining 98 per cent assumed to rollover to a new term deposit with the original term.

Small business deposits with a fixed term are assigned a run-off of 3 per cent over the first 4 weeks at maturity with the remaining 97 per cent assumed to rollover to a new term deposit with the original term, and a run-off of 1 per cent over months 2 to 12 at maturity with the remaining 99 per cent assumed to rollover to a new term deposit with the original term.

5.2 Borrowings

65. Operating and clearing line account balances at Central 1 are expected to remain within their prescribed limits. Repayment of balances in excess of prescribed limits should be reported as an outflow in week 1.

66. Term loans with Central 1 are for cash management purposes, occasional borrowings, assistance with fixed asset purchase, and/or to assist in asset/liability management. Credit unions are assumed to repay term loans or other term borrowings in full at maturity.

67. Cash outflows for other borrowings, including those for securitizations, are not assumed to rollover and are to be reported in full at contractual maturity.

68. Securities sold short, securities lent, and funding guarantees to subsidiaries and branches should all be assumed to have immediate cash outflows of the principal value and are to be reported in week 1.

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[2] Fiduciary is defined in this context as a legal entity that is authorized to manage assets on behalf of a third party. Fiduciaries include asset management entities such as pension funds and other collective investment vehicles.
[3] Beneficiary is defined in this context as a legal entity that receives, or may become eligible to receive, benefits under a will, insurance policy, retirement plan, annuity, trust, or other contract.

5.3 All Other Liabilities

69. All other liabilities are to be reported, however, no cash outflow value will be attributed to them. These amounts are to be reported in the greater than 12 months time bucket.

70. All derivative-related cash outflows should be included as outflows at the expected contractual payment dates in accordance with their existing valuation methodologies. Cash flows may be calculated on a net basis (i.e. inflows can offset outflows) by counterparty, only where a valid master netting agreement exists. Options should be assumed to be exercised when they are ‘in the money’ for the option buyer. Credit unions should not double count liquidity inflows or outflows. Where derivative payments are collateralized by eligible liquid assets, outflows should be calculated net of any corresponding inflows that would result from contractual obligations for collateral to be provided to the credit union. This is conditional on the credit union being legally entitled and operationally capable to re-use the collateral in new cash-raising transactions once the collateral is received.

5.4 Equity

71. Cash outflows for equity are assumed to occur at 100 per cent and are to be reported in the greater than 12 months time bucket.

6 MEMO ITEMS

This section is reported for information purposes and has no impact on the NCCF surplus or survival horizon.

Off-Balance Sheet Commitments

72. Off-balance sheet commitments are defined as explicit contractual agreements or obligations to extend funds at a future date to retail or wholesale counterparties. For the purposes of the NCCF, these facilities may only include contractually irrevocable (“committed”) or conditionally revocable agreements to extend funds in the future to third parties. Off-balance sheet commitments are to be reported, however, no cash value will be attributed to them.

Unfunded Portion of Committed Credit Facilities

73. The unfunded portions of committed credit facilities are to be reported by personal or commercial counterparty, however, no cash outflow value will be attributed to them.

74. All other unfunded commitments are to be reported, however, no cash value will be attributed to them.

7 CONTACT INFORMATION

75. For any questions regarding completing or filing the report, please contact Financial and Regulatory Reporting or your FICOM relationship manager by email at filings@ficombc.ca.

8 APPENDIX

Paragraph	Balance Sheet Items	Assumptions	
		Weeks 1 - 4	Months 2 – 12
INFLOWS			
20 - 23	Unencumbered Liquid Assets	100% in week 1, subject to Bank of Canada's Standing Liquidity Facility haircuts	
29	Central 1 Operating Deposits	100% in week 1	
30	Central 1 Liquidity Statutory Deposits	100% to be reported after all other sources of liquidity have been extinguished	
31	Central 1 Non-Mandatory Deposits	Redeemable – 100% in week 1 subject to 5% haircut Non-redeemable – 100% at contractual maturity	
32	Deposits with Other Financial Institutions	100% at contractual maturity	
33, 34	Other Securities	100% at contractual maturity or earliest option date	
35	Other Investments	100% in greater than 12 months with cash inflow for any dividends on declaration date	
Personal Loan Portfolio			
36 - 41	Residential Mortgages	100% rollover at contractual maturity; 100% on payments (including interest payments and instalments) that are fully performing	
42	Term Loans	100% at contractual maturity; 100% on payments (including interest payments and instalments) that are fully performing	
43	Lines of Credit	100% at contractual maturity; include specified minimum payments and interest if no specific maturity	
44	Leases & Other	100% at contractual maturity; 100% on payments (including interest payments and instalments) that are fully performing	
Commercial Loan Portfolio			
45	Commercial Mortgages	100% rollover at contractual maturity; 100% on payments (including interest payments and instalments) that are fully performing	
45	Term Loans	100% at contractual maturity; 100% on payments (including interest payments and instalments) that are fully performing	
45	Lines of Credit	100% at contractual maturity; include specified minimum payments and interest if no specific maturity	
45	Leases & Other	100% at contractual maturity; 100% on payments (including interest payments and instalments) that are fully performing	
All Other Assets			
46-49	All Other Assets	100% greater than 12 months	

Paragraph	Balance Sheet Items	Assumptions	
		Weeks 1 - 4	Months 2 – 12
OUTFLOWS			
Retail Deposits			
56	Demand & Chequing	0.75% per week over first 4 weeks	3% per month over months 2 to 12
57	Cashable Term	3% at maturity; 97% rollover with original term	2% run-off at maturity; 98% rollover with original term
58	Fixed Term	3% at maturity; 97% rollover with original term	1% run-off at maturity; 99% rollover with original term
Broker Deposits			
59	Retail, small business, and term deposits sourced from unaffiliated third parties	5% at maturity; 95% rollover with original term	
Wholesale Deposits			
61	Non-Financial Institution – Operational	0.75% per week over first 4 weeks	3% per month over months 2 to 12
62	Non-Financial Institution – Non-Operational	3% per week over first 4 weeks	5% per month over months 2 to 12
63	Financial Institutions	25% per week over first 4 weeks for deposits that have non-defined or open maturity 100% at contractual maturity	
64	Small Business		
	Demand / Operational	0.75% per week over first 4 weeks	3% per month over months 2 to 12
	Cashable Term	3% run-off at maturity with 97% rollover with original term	2% run-off at maturity with 98% rollover to original term
	Fixed Term	3% run-off at maturity with 97% rollover with original term	1% run-off at maturity with 99% rollover with original term
Borrowings			
65	Central 1 Operating / Clearing Account	100% of amount in excess of limit in week 1	
66	Central 1 Term Borrowings	100% at contractual maturity	
67-68	Other Borrowings (incl. securitizations)	100% at contractual maturity	
All Other Liabilities			
69-70	All Other Liabilities	100% greater than 12 months	
Equity			
71	Equity	100% in greater than 12 months	

Paragraph	Balance Sheet Items	Assumptions	
		Weeks 1 - 4	Months 2 – 12
MEMO ITEMS			
Off-Balance Sheet Commitments			
72	Off-Balance Sheet Commitments	Balance only – No liquidity value will be attributed	
Unfunded Portion of Committed Credit Facilities			
73	Personal Loan Portfolio Secured	Balance only – No liquidity value will be attributed	
73	Personal Loan Portfolio Unsecured	Balance only – No liquidity value will be attributed	
73	Commercial Loan Portfolio Secured	Balance only – No liquidity value will be attributed	
73	Commercial Loan Portfolio Unsecured	Balance only – No liquidity value will be attributed	
74	Other Unfunded Commitments	Balance only – No liquidity value will be attributed	

9 ANNEX: NCCF Reporting Template Substantive Revisions Fall 2016

Reference	Current Text	Revised Text
29	Cash resources are all deposits with Central 1 Credit Union (Central 1) and other deposit taking financial institutions. Any clearing account balances with Central 1 are to be reported in the week 1 time bucket of the NCCF report.	Any clearing account balance and cash resources with Central 1 Credit Union (Central 1) are to be reported in week 1.
30	A credit union's Liquidity Statutory Deposits (LSD) with Central 1 are to be reported in the week 1 time bucket of the NCCF report, provided those deposits are unencumbered.	A credit union's mandatory Liquidity Statutory Deposits (LSD) with Central 1 are to be accessed as a last resort, and are to be reported only after non-mandatory deposits with Central 1 have been extinguished.
31	A credit union's redeemable unencumbered excess term deposits held with Central 1 are to be reported in week 1 after the assigned haircut of 5 per cent is applied to the those deposits. Non-redeemable or encumbered excess term deposits are to be treated as cash inflows in the earliest contractual maturity time buckets.	A credit union's non-mandatory deposits held with Central 1 are to be reported according to maturity date. Redeemable non-mandatory deposits are to be reported in week 1 after the assigned haircut of 5 per cent is applied. Non-redeemable non-mandatory deposits are to be reported in the period of earliest contractual maturity. Bid deposits are generally redeemable and are to be reported as a part of non-mandatory deposits in week 1 after the assigned haircut of 5 per cent is applied.
55	**Retail Deposits** Retail deposits are deposits placed with a credit union by a natural person or small business.	**Retail Deposits** Retail deposits are deposits placed with a credit union by a natural person and exclude deposits placed by broker dealers.
60	**Wholesale Deposits** Deposits from legal entities, sole proprietorships or partnerships that are not considered small businesses are captured in wholesale deposit categories.	**Wholesale Deposits** Wholesale deposits are defined as those liabilities and general obligations that are raised from non-natural persons (i.e. legal entities, including sole proprietorships and partnerships) and are not collateralized by legal rights to specifically designated assets owned by the borrowing institution in the case of bankruptcy, insolvency, liquidation or resolution. Deposits from legal entities, large non-financial corporations, financial institutions,

		government and public sector enterprises, sole proprietorships, partnerships, and small businesses are captured in wholesale deposit categories.
64	**NA**	**Small Businesses** Small business demand or operational deposits are assigned a run-off of 0.75 per cent per week over the first 4 weeks and 3 per cent per month over months 2 to 12. Cashable term small business deposits are assigned a run-off of 3 per cent over the first 4 weeks at maturity with the remaining 97 per cent assumed to rollover to a new term deposit with the original term, and a run-off of 2 per cent over months 2 to 12 at maturity with the remaining 98 per cent assumed to rollover to a new term deposit with the original term. Small business deposits with a fixed term are assigned a run-off of 3 per cent over the first 4 weeks at maturity with the remaining 97 per cent assumed to rollover to a new term deposit with the original term, and a run-off of 1 per cent over months 2 to 12 at maturity with the remaining 99 per cent assumed to rollover to a new term deposit with the original term.
73	**NA**	**Unfunded Portion of Committed Credit Facilities** The unfunded portions of committed credit facilities are to be reported by personal or commercial counterparty, however, no cash outflow value will be attributed to them.
74	**NA**	All other off balance sheet commitments are to be reported, however, no cash value will be attributed to them.

BRITISH COLUMBIA | Financial Institutions Commission

Financial Institutions Commission

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